

**CITY OF AGOURA HILLS,  
CALIFORNIA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2010**



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Comprehensive Annual Financial Report**  
**June 30, 2010**

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## **INTRODUCTORY SECTION**

CITY OF



AGGURA HILLS



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*"Gateway to the Santa Monica Mountains National Recreation Area"*

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***November 16, 2010***

***Honorable Mayor and Members of the City Council  
Citizens of the City of Agoura Hills, California***

The City (City) of Agoura Hills is pleased to submit its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. The CAFR represents a complete set of financial statements presented in conformity, with generally accepted accounting principles (GAAP), and audited, in accordance with generally accepted auditing standards, by a firm of licensed certified public accountants.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All material, statements, and disclosures, necessary to enable the reader to gain an understanding of the City's financial activities, have been included. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements, in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we attest that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Vavrinek, Trine, Day & Co., LLP, an accounting firm fully licensed and qualified to perform audits of state and local governments within the State of California. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the City of Agoura Hills' financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP.

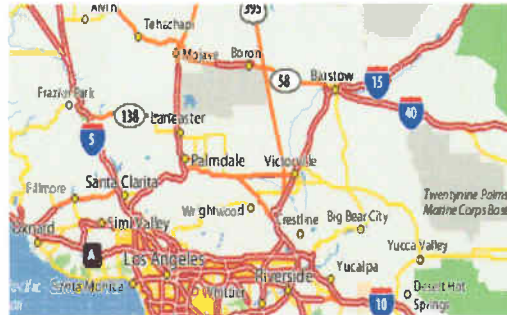
The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organization chart, and a list of City officials. The financial section includes the independent auditor's report, the basic financial statements, notes to the financial statements, and the combining and individual fund financial statements. The statistical section, which is unaudited, contains selected financial and demographic information, generally presented on a multi-year basis.

GAAP requires that management provide a narrative introduction, overview, and analysis, to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the City's MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

**CITY OF AGOURA HILLS**  
**Letter of Transmittal**  
**For the Year Ended June 30, 2010**

**PROFILE OF THE CITY OF AGOURA HILLS**

Perched on the western edge of Los Angeles County in the foothills of the Santa Monica Mountains, Agoura Hills is located just forty-five minutes from busy downtown Los Angeles, but is nevertheless rich with undulating hills and inspiring canyons. Agoura Hills was incorporated December 8, 1982. It is 7.86 square miles in size and has an average climate of 65 degrees Fahrenheit, with an average rainfall of 19.5". The City has an altitude of 936 feet to 2,036 feet. Agoura Hills is one of the smaller communities in Los Angeles County, with a population of only 23,387.



The City of Agoura Hills is governed by the City Council/City Manager form of government. A five-member City Council is elected by the residents to oversee City operations and to guide the future development of the community. The terms are staggered so that a measure of continuity is maintained in the transitions from one Council to the next. The Mayor is selected annually by the City Council to serve a one-year term.

The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing a City Manager and City Attorney. The City Council members also serve as the governing body of the following:

- ❖ Agoura Hills Redevelopment Agency
- ❖ Public Facilities Corporation
- ❖ Public Financing Authority

In addition, the City Council appoints the members of the Planning Commission and has representation on the following Boards:

- ❖ Agoura Hills/Calabasas Community Center Board
- ❖ Las Virgenes/Malibu Council of Governments
- ❖ Santa Monica Mountains Conservancy

The City provides a full range of services, some of which are contracted through outside agencies and/or firms. These services include law enforcement, highways and roads, landscaping services, planning and zoning, building and environmental safety, emergency preparedness, and general administrative services. Certain services are provided by the Agoura Hills Redevelopment Agency, the Public Facilities Corporation, and the Public Financing Authority. The Agoura Hills City Council exercises financial accountability over each entity, and city staff manages the operations of each of these organizations. These component units function, in essence, as departments of the City of Agoura Hills and therefore have been included as an integral part of the City of Agoura Hill's financial statements. Additional information on these entities can be found in note 1.a. of these financial statements.

For many centuries, the area that would become Agoura Hills was familiar territory for Native Americans who wandered inland from their hunts along the sea in search of game and other food. The permanent



**CITY OF AGOURA HILLS**  
**Letter of Transmittal**  
**For the Year Ended June 30, 2010**

arrival of the Spanish in the late 1700s banished the Indians from their homes and introduced a ranching culture that would linger into the early twentieth century. In the 1900s, vast cattle and sheep ranches conceded ground to rows of lettuce and celery, orchards, and wheat fields. Ranching and agriculture eventually diminished in importance. Ranchers began dividing up their property and selling individual tracts for housing. From the outset, ranchers and farmers had worried about water supplies and those concerns were shared by the citizens of Agoura Hills into the mid 1950s. At that time, provision of outside sources of water helped ensure the growth of the community, aided by the new highways which acted as a conduit for fresh faces and commercial development and contributed to the maturation of Agoura Hills.

The City is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund and department. The City Manager has the authority to transfer between expenditure accounts within the same department, office, agency, or program activity.

**LOCAL ECONOMY**

Agoura Hills is one of the wealthier communities in California with an average household income of \$108,862, which is 1.9 times that of the State of California. The median age of Agoura Hills' residents in 2010 was 38.5, and 57% of the population holds a Bachelor's Degree or higher.

While the State of California struggles with a significant budget deficit and many government agencies have been impacted by a slower economy in recent years, the City of Agoura Hill's financial position remains strong. The largest revenue source is sales tax. Agoura Hills entices companies to relocate to and remain in the City by charging a low business registration fee. As a result, the City enjoys a strong and diverse business and retail base, both of which contribute to revenue received through sales tax.

**LONG-TERM FINANCIAL PLANNING**

Unreserved, undesignated fund balance in the General Fund (89 percent of total general fund expenditures and operating transfers) falls within the policy guidelines set by the Council for budgetary and planning purposes. In June 2005, the City adopted Resolution No. 05-1378, stating the City Council and City Staff will endeavor to designate an amount equal to or greater than forty percent (40%) of each year's proposed General Fund Operating Budget as the City's unobligated General Fund Reserve.

**MAJOR INITIATIVES**



The City is in the process of expanding the Reyes Adobe Interchange, which spans US Freeway 101. This interchange is anticipated to cost \$8.4 million with a construction cost of \$4.6 million. It is being funded with \$2.3 million from a Federal Grant, \$690,000 in ARRA Federal Funds, \$2.1 million in a Los Angeles County Metropolitan Transportation Authority (METRO) Grant, and approximately \$3.3 million in Traffic Improvement Fees. The expansion of the bridge

**CITY OF AGOURA HILLS**  
**Letter of Transmittal**  
**For the Year Ended June 30, 2010**

will allow provide for new safety measures and traffic movement enhancements and anticipates future development along the US 101 corridor.

In November 2008, the County of Los Angeles approved Measure R by a two-thirds majority, committing a projected \$40 billion to traffic relief and transportation upgrades throughout the county over the next 30 years. The City of Agoura Hills is scheduled to receive approximately \$15.6 million of these monies through 2001/12. Projects slated for the monies include the Chesebro/Palo Camodo Interchange (PR); the Agoura Road Widening; and the Agoura Road Roundabout (design). The City plans to utilize \$1.4 million in Measure R monies during the next fiscal year.

The City of Agoura Hills currently leases space for a recreation center. The lease expires in December, 2014. The City plans to build a recreation center to replace the existing leased facility. The City currently has \$6.3 million set-aside towards the cost of the recreation center, including \$1.5 million in bond proceeds from the 2007 Agoura Hills Financing Authority Lease Revenue Refunding Bonds.

**CASH MANAGEMENT**

The City manages cash and investments on a pooled basis, consisting primarily of participation in the local Agency Investment Fund (LAIF), a pooled fund controlled by the State Treasurer. The City's investment portfolio allows for investment, in U.S. Treasury, certain Agency securities (Federal Farm Credit Bank and Federal Home Loan Bank System only) Commercial Paper, Negotiable Certificates of Deposit, and Medium Term Corporate Notes.

In fiscal year 2009/10, the City's investment portfolio included \$26.5 million invested in LAIF, and \$12.2 million in U.S. Securities. This included bond proceeds held by the City of Agoura hills. Further information on this can be found in Note (3).

**RISK MANAGEMENT**

The City is self-insured for worker's compensation and general liability as a member of the California Joint Powers Insurance Authority (CJPIA). Other insurances, including auto physical damage, fire and extended coverage, earthquake and flood, and crime insurance, are covered by a third party insurance carrier, which is explained in greater detail in Note (4)(B).

**PENSION AND POSTEMPLOYMENT BENEFITS**

All full-time employees of the City are eligible to participate in the California Public Employee's Retirement System (CalPERS). CalPERS is a cost-sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for participating public entities within the State of California. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Employees vest after five years of service and are eligible to receive benefits at age 50. The annual actuarial valuation by CalPERS changes from year to year, and the City's contribution rates are modified accordingly. For more information, please refer to Note (4)(A).

In addition to pension benefits, the City provides post-retirement health care benefits. In an effort to better manage these costs and still provide a benefit to the City's retirees, effective January 1, 2009, the retiree medical reimbursement was established at the CalPERS minimum for participation in the State of California Public Employees' Medical and Hospital Care Act (PEMHCA) which is \$105 for 2010.

**CITY OF AGOURA HILLS**  
**Letter of Transmittal**  
**For the Year Ended June 30, 2010**

Additionally, the city contributes longevity pay to a Retirement Health Savings (RHS) Trust plan of up to \$395 for those retirees with 10 years of service the the city, enrolled in a CalPERS health plan. The total benefit will not exceed \$500 per month. For additional information, please refer to Note (4) (I).

**AWARDS AND ACKNOWLEDGEMENTS**

The City has been awarded the Certificate of Award for Outstanding Financial Reporting by the California Society of Municipal Finance Officers (CSMFO) for its CAFR. This is the first time the City has submitted for the award. A Certificate is valid for a period of one year only.

This year the City is submitting to the Government Finance Officers' Association of the United States and Canada (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. We believe that our current CAFR will meet the Certificate of Achievement Program's requirements.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Department staff. I would also like to express my appreciation to all departments within the City who provided assistance and support.

Sincere appreciation is also expressed to the City Manager, Mayor, and members of the City Council for their support in planning and conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,

CITY OF AGOURA HILLS



Christy Pinuelas  
Director of Finance

# CITY OF AGOURA HILLS

## ORGANIZATIONAL STRUCTURE AND DIRECTORY OF CITY OFFICIALS

AGOURA HILLS RESIDENTS



**John Edelston**  
Councilmember

**Harry Schwarz**  
Mayor Pro Tem

**William D. Koehler**  
Mayor

**Dan Kuperberg**  
Councilmember

**Denis Weber**  
Councilmember

Planning Commission  
(5)

**Greg Ramirez**  
City Manager  
(6.5)

**Craig Steele**  
City Attorney  
(Contract)

- Economic Development
- Human Resources
- Risk Management
- Refuse/Recycling

**Nathan Hamburger**  
Assistant City Manager

**Mike Kamino**  
Director  
Comm. Development  
(6.5)

**Christy Pinuelas**  
Director  
Finance  
(3)

**Ramino Adeva**  
City Engineer  
(7)

**Kimberly Rodrigues**  
City Clerk  
(2)

**Amy Brink**  
Director of  
Community Services  
(7)

**Amir Hamidzadeh**  
Building Official  
(3)

- Current Planning
- Economic Development & Revitalization
- Environmental Review
- General Plan
- Code Enforcement
- Comprehensive Planning
- Community Devel. Block Grant

- Accounting
- Operating Budget
- Payroll
- Financial Reporting
- Business Registration
- Cash Management
- Purchasing
- Information Systems

- Private Project Devel.
- Capital Project Devel.
- Mapping & Records
- Public Works Inspection
- Transit/Transport. Engineering
- Water
- Wastewater
- Street/Landscape Maintenance
- Storm Water System Maintenance

- Information
- Agendas/Minutes
- Public Hearings
- Elections
- Records Management
- Nonprofit Solicitor Permits

- Recreation Programs
- City-Wide Special Events
- Transportation Services
- Senior Center
- Community Service Programs
- Community Relations
- Recreation Center
- Reyes Adobe Historical Site
- Equestrian Arena
- Park facilities & Maintenance

- Plan Review
- Permit Processing
- Permit Issuance
- Building Inspection
- Code Adoption and Enforcement
- Issuance of Certificate of Occupancy

*California Society of  
Municipal Finance Officers*

*Certificate of Award*

*Outstanding Financial Reporting for the Fiscal  
Year ending June 30, 2009*

*Presented to the*

*City of Agoura Hills*

*This certificate is issued in recognition of meeting professional standards and criteria in reporting  
which reflect a high level of quality in the annual financial statements  
and in the underlying accounting systems from which the reports were prepared.*

*February 18, 2010*

*Ronnie Campbell*

*Ronnie Campbell, President*

*OTHAS*

*Chu Thai, Chair  
Recognition Committee*

*Dedicated Excellence in Municipal Financial Management*

CITY OF



AGGURA HILLS

## **FINANCIAL SECTION**

CITY OF



AGGURA HILLS





## INDEPENDENT AUDITORS' REPORT

The Honorable City Council of  
The City of Agoura Hills

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Agoura Hills (the City), California, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City of Agoura Hills, California. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of Agoura Hills, California, as of June 30, 2010, and the respective changes in the financial position of the City of Agoura Hills, California for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 4I to the financial statements, the City adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions* as of July 1, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2010, on our consideration of the City of Agoura Hills's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 12 and the required supplementary information on pages 49 through 53 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, the major fund budgetary comparison schedule, the combining and individual nonmajor fund financial statements and schedules listed as supplementary information in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The major fund budgetary comparison schedule and the combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Rancho Cucamonga, California  
November 16, 2010

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Management's Discussion and Analysis**  
**June 30, 2010**

Management's Discussion and Analysis (MD&A) is presented as a supplement to the City of Agoura Hills' (City) financial statements. The MD&A offers an objective narrative of the City's financial activities based upon facts, decisions, and conditions known to management as of the auditor's report date for the fiscal year ended June 30, 2010. Readers are encouraged to utilize this report in conjunction with the information outlined in the City's financial statements and notes to the financial statements (found on subsequent pages). A summary of the fiscal year's financial picture immediately follows.

**FINANCIAL HIGHLIGHTS**

- ❖ On June 30, 2010, the City's net assets (excess of assets over liabilities) were \$85.4 million. Of this amount, \$16.1 million is available to meet the City's ongoing operations to citizens and creditors.
- ❖ During the fiscal year ended June 30, 2010, the City's total net assets decreased by \$370 thousand.
- ❖ As of June 30, 2010, the unreserved, undesignated, fund balance for the General Fund was \$10.3 million or 90 percent of total General Fund expenditures.
- ❖ The City's governmental funds reported combined ending fund balances of \$43.2 million, a decrease of \$4.6 million compared with the prior fiscal year. Approximately \$21.5 million of this total amount is available for spending at the government's discretion.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include the City (primary government) and all legally separate entities for which the City is financially accountable. The City's component units consist of the following: The Agoura Hills Redevelopment Agency, the Public Facilities Corporation, and the Public Financing Authority. These component units have been included in the basic financial statements, as an integral part of the primary government, using the blended method.

***Government-Wide Financial Statements***

The Government-Wide Financial Statements present the financial picture of the City and provide readers with a broad view of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with a difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Agoura Hills is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the change's underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and unearned but unused vacation leave).

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Management's Discussion and Analysis**  
**June 30, 2010**

While some governmental agencies have governmental and business-type activities, the City of Agoura Hills records all activities under governmental activities.

***Fund Financial Statements***

The Fund Financial Statements provide detailed information about the City's major funds. Some funds are required to be established by state law (i.e. Measure R & Transit Tax) and by bond covenants. However, management establishes other funds (i.e. Other Grants) to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The Fund Financial Statements include statements for governmental and fiduciary categories of activities. The governmental activities are reported using the current financial resources measurement focus and modified accrual basis of accounting. The following sections provide a more in-depth detailing of the fund groups.

Governmental funds are reported, in essentially the same way as governmental activities in the government-wide financial statements with an exception; governmental fund financial statements focus on near-term inflows and outflows of spendable resources and balances of spendable resources. This means governmental fund financial statements identify current sources and uses of money within the immediate fiscal year. Benefits derived include a detailed short-term view of the City's general government operations and the basic services it provides, which assist in determining whether there are sufficient financial resources available to meet the City's current needs.

Since the scope of the governmental funds is different than that of the government-wide financial statements, it is beneficial to comparatively examine information presented for the governmental funds with information presented for governmental activities in the government-wide financial statements. From this, readers gain a clearer picture of the long-term impacts current financial decisions might yield. When examined together, the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances provide the reader with a different snapshot that identifies variances between the two different methodologies of governmental activities and governmental funds.

The major governmental funds include: the General Fund, the Redevelopment Debt Service Fund, the Redevelopment Set-Aside Fund, the Redevelopment Capital Projects Fund, and the Reyes Adobe Interchange Capital Projects Fund which are reported in detail in the Governmental Fund Financial Statements. All other funds are shown in the aggregate as other non-major funds. Individual fund data for other non-major governmental funds is provided in the form of supplementary information elsewhere in the report.

Fiduciary Fund – the City is the trustee, or fiduciary, for certain funds held on behalf of external parties. The City's fiduciary activities are reported in separate Statements of Fiduciary assets and liabilities. These activities are excluded from the City's other financial statements because the resources of these funds are not available to support the City's own programs. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Management's Discussion and Analysis**  
**June 30, 2010**

*Notes to the Basic Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

*Required Supplementary Information*

In addition to the basic financial statements, this report also presents certain Required Supplementary Information, including the City's budgetary schedules.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

*Statement of Net Assets*

Net assets are a good indicator of the City's financial position. For the fiscal year ended June 30, 2010, net assets of the City were \$85.4 million, which is a decrease, as restated, of \$370 thousand from the prior year.

Following is the condensed Statement of Net Assets for the fiscal years ended June 30, 2010 and 2009.

**City of Agoura Hills Net Assets**  
**As of June 30, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
Current and other assets	\$50,446,565	\$54,134,515
Capital assets	64,554,558	61,287,035
Total Assets	115,001,123	115,421,550
Current liabilities	3,165,501	2,908,876
Long-term liabilities outstanding	26,476,232	26,745,023
Total Liabilities	29,641,733	29,653,899
Net Assets:		
Invested in capital assets, net of related debt	57,211,864	49,983,660
Restricted	12,056,277	26,521,423
Unrestricted	16,091,249	9,262,568
Total Net Assets	\$85,359,390	\$85,767,651

At June 30, 2010 the largest portion of net assets (67 percent) consists of the City's investment in capital assets, net of related debt. This component portrays the amount of funds required to acquire those assets, less any related debt used for such acquisition that is still outstanding. The City uses these capital assets to provide services to citizens. The capital assets of the City are not sources of income for repayment of debt as most assets are not revenue generating and generally are not liquidated to repay debt. Therefore, debt service payments are funded from other sources available to the City.

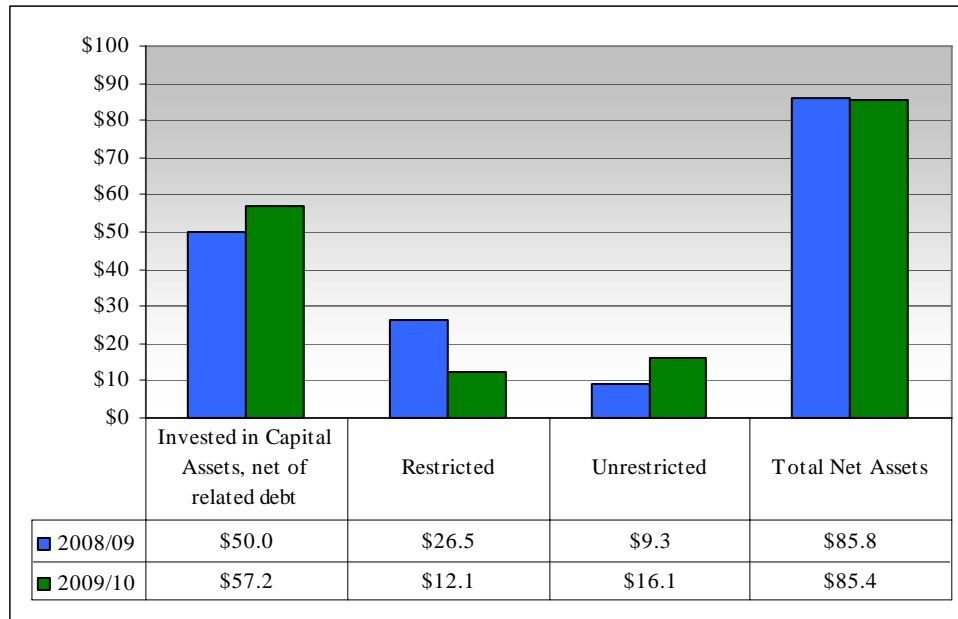
An additional portion of the City's net assets (\$12.1 million or 15 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$16.1 million or 19 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Management's Discussion and Analysis**  
**June 30, 2010**

For the years ended June 30, 2010 and 2009, the City reported positive balances in all three categories of net assets.

- ❖ The \$7.2 million increase in the City's investment in capital assets net of related debt was primarily related to the \$3.9 million construction in progress expenditures for the widening of the Reyes Adobe Bridge as well as the \$933 thousand for overlay and \$630 thousand for a land parcel.
- ❖ Restricted net assets decreased \$14.5 million primarily due to the reclassification from the prior year presentation of outstanding bond proceeds which are restricted to Low/moderate income housing projects.
- ❖ Unrestricted net assets increased \$6.8 million primarily due to the reclassification of the above mentioned bond proceeds.

The following chart shows the comparison of the three components of net assets for fiscal years 2008/2009 and 2009/2010 (in millions).



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Management's Discussion and Analysis**  
**June 30, 2010**

*Statement of Activities*

The following is the condensed Statement of Activities for the fiscal years ended June 30, 2010 and 2009.

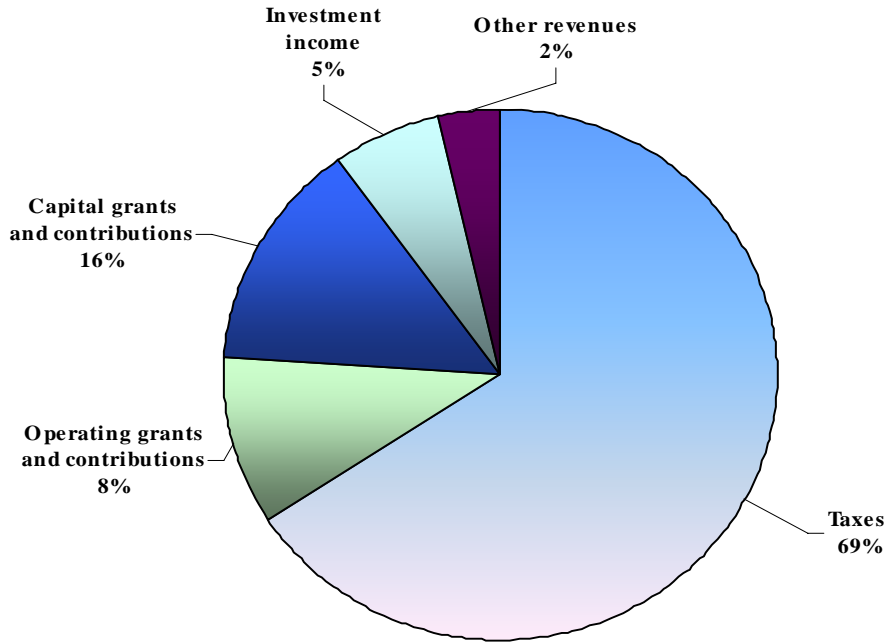
**Statement of Activities Changes**  
**For the Years Ended June 30, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
Revenues:		
Program revenues:		
Charges for services	\$1,257,914	\$1,361,860
Operating grants and contributions	2,256,379	1,894,247
Capital grants and contributions	3,102,464	3,555,911
General revenues:		
Taxes	14,617,232	15,534,187
Intergovernmental revenues	68,491	84,860
Investment Income	628,622	1,038,662
Other revenues	253,837	383,992
Total Revenues	22,184,939	23,853,719
Expenses:		
General government	3,797,117	3,054,767
Public safety	4,069,389	4,186,728
Public works	5,557,145	4,129,327
Community development	1,821,939	1,899,937
Transportation	0	490,714
Pass through to other agencies	3,677,954	3,805,788
Community services	2,223,534	1,992,453
Interest and fiscal charges	1,407,800	1,486,082
Total Expenses	22,554,878	21,045,796
Change in net assets	-369,939	2,807,923
Net Assets – Beginning of Year, Restated	85,729,329	82,959,728
Net Assets – End of Year	\$85,359,390	\$85,767,651

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Management's Discussion and Analysis**  
**June 30, 2010**

The City's activities decreased net assets by \$370 thousand, which was a .04 percent decrease from the prior fiscal year. Net Assets at the beginning of 2010 were restated for adjustments to deferred loans and Other Post-Employment Benefits. Further information can be found in Note 5 of the basic Financial Statements. Revenues by source are shown in the chart below:

**Government Activities - Revenues by Source**  
**June 30, 2010**



Revenue highlights:

- ❖ Operating grants and contributions increased \$362 thousand or 20 percent in fiscal year 2009/2010 primarily due to \$148 thousand in new sales tax override monies (Measure R) and an additional \$200 thousand in fees received in the Traffic Improvement Fund.
- ❖ Taxes decreased \$917 thousand, or 6 percent, in fiscal year 2009/2010. This primarily relates to a decrease in Sales taxes of \$439 thousand, or 13 percent, a decline in Transient occupancy taxes of \$177 thousand, or 10 percent, and Property taxes declined \$294 thousand, or 2 percent, all related to the downturn in the economy.
- ❖ Investment Income decreased \$410 thousand, or 40 percent, primarily due to the decrease in interest rates which went from an average yield of 2 percent for fiscal year 2008/2009 to an average yield of .75 percent in fiscal year 2009/2010.



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Management's Discussion and Analysis**  
**June 30, 2010**

Expense highlights:

Total expenses for the City's activities were \$22.6 million, \$1.5 million more than the prior fiscal year. Program revenues offset total expenditures as follows:

- ❖ Those who directly benefited from programs contributed \$1.3 million in charges for services.
- ❖ The City was able to fund some of its programs through operating grants and contributions from outside sources or other governments for a total amount of \$5.4 million.

As a result, total expenditures that were funded by tax revenues, investment income, grants and contributions not restricted to specific programs, and other general revenues were \$15.9 million.

Functional expenses (excluding interest on debt) for the years ended June 30, 2010 and 2009 were as follows (amount in millions):

	<b>Total Cost of Services</b>		<b>Percent Change</b> 2009/10	<b>Net (Cost) Revenue of Services</b>		<b>Percent Change</b> 2009/10
	2010	2009		2010	2009	
General government	\$ 3.8	\$ 3.1	23%	-3.5	-2.3	52%
Public safety	4.1	4.2	-2%	-3.1	-3.5	-11%
Public works	5.6	4.1	37%	-1.0	-.2	400%
Community development	1.8	1.9	-5%	-1.4	-1.7	-18%
Transportation	0.0	0.5	-100%	0.0	0.3	-100%
Pass thru to agencies	3.7	3.8	-3%	-3.7	-3.8	-3%
Community services	2.2	2.0	10%	-1.8	-1.5	20%
<b>Total</b>	<b>\$21.2</b>	<b>\$19.6</b>	<b>8%</b>	<b>-14.5</b>	<b>-12.7</b>	<b>14%</b>

In total, the net cost of services increased by \$1.8 million or 14 percent. Highlights of the changes are:

- ❖ General government increased by \$742 thousand or 24 percent primarily due to the Supplemental Educational Revenue Augmentation Funds which were paid by the Redevelopment Agency, see Note 4(c) 5 of the basic Financial Statements.
- ❖ Public works increased \$1.5 million or 35 percent; primarily due to the expenditures for the Reyes Adobe Interchange capital project that were funded by the City (\$680 thousand) and the reclassification of transportation costs to the Public works division.

***Financial Analysis of the City's Funds***

The City of Agoura Hills only has governmental fund types whose focus is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Management's Discussion and Analysis**  
**June 30, 2010**

As of the end of 2009/2010, the City's funds reported ending fund balances of \$43.2 million, a decrease of \$4.6 million in comparison with the prior fiscal year. The decrease in fund balance primarily reflects the use of \$5.3 million in Special revenue funds (\$2.3 million in traffic improvement funds to fund the Reyes Adobe Interchange Capital Project and \$2.0 million in grant funds to reimburse expenditures on the Kanan Interchange). Of the \$43.2 million in fund balances at fiscal year end 2009/2010, \$21.6 million is reserved to indicate that it is not available for appropriation because it had already been restricted for a variety of purposes. The remaining unreserved \$21.6 million is available for spending at the government's discretion.

The General Fund is the chief operating fund of the City. At the end of fiscal year 2009/2010, the fund balance of the General Fund was \$10.3 million, with \$115 thousand reserved for Land held for Resale and \$17 thousand reserved for prepaid items. As a measure of the General Fund's liquidity, it is useful to compare total fund balance to total expenditures. At June 30, 2010, fund balance was 89 percent of total General Fund expenditures and transfers out.

Fund balance in the City's General Fund increased by \$1.3 million in fiscal year 2009/2010, when compared to a decrease in fund balance of \$835 thousand in 2008/2009. The 2009/2010 increase primarily relates to the transfer in of \$1 million that the City had previously set-aside for the Reyes Adobe Interchange Capital Project. General Fund monies are no longer needed for that project due to the receipt of additional grant monies. The 2008/2009 decrease related to the purchase of the YB Property which has been dedicated as open space.

Taken as a whole, the three Redevelopment Agency Funds decreased fund balance by \$594 thousand in 2009/2010, as compared to a decrease of \$3.9 million in 2008/2009. The 2009/2010 decrease relates to operational expenses and \$250 thousand paid on a lease option (see Note 4(C) of the basic Financial Statements). The decrease in fiscal year 2008/2009 primarily relates to the purchase of property with the proceeds of the 2008 taxable bond proceeds.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

In preparing the budget, the City attempts to estimate its revenue using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues to allow for expansion of existing programs. During the course of the year, the City Council amended the originally adopted budget to reappropriate prior year approved projects and expenditures and to amend the spending plan of the City and Redevelopment Agency.

In the General Fund, amendments between the original budget and the final budget resulted in decreased revenues of \$677 thousand, increased expenditures of \$103 thousand and increased net transfers in of \$3.8 million. The transfers in related to a grant reimbursements for the Kanan Road Interchange Project and monies for the Reyes Adobe Interchange, which were previously set-aside and then not needed to complete the project. These amendments resulted in an overall budgeted increase to the fund balance of \$3.0 million.

The General Fund reflected a net total unfavorable budget variance of \$56 thousand, when comparing actual amounts to the final budget for the current fiscal year. The budget reflects a negative variance in revenues of \$22 thousand and a positive variance in total expenditures of \$48 thousand. The revenue variances primarily relate to the economic impact of the recession, particularly in the final quarter of the fiscal year. Revenues such as property tax (\$117 thousand), transient occupancy tax (\$110 thousand) and Park and recreation fees (\$43 thousand) particularly declined at a greater than anticipated rate. The expenditure variances are primarily due to timing differences in planned expenditures.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Management's Discussion and Analysis**  
**June 30, 2010**

**CAPITAL ASSETS**

Capital assets, including infrastructure of the City, are those assets that are used in the performance of the City's functions. At June 30, 2010, net capital assets totaled \$64.6 million.

This investment in capital assets includes land, construction in progress, buildings and improvements, leased equipment, vehicles, and infrastructure. The total increase in the City's investment of capital assets, net of related debt, for the current fiscal year is \$3.3 million or 6 percent of capital assets net of accumulated depreciation. The increase in capital assets primarily reflects the addition of \$3.3 million in Construction in Progress. The increase primarily relates to a major capital project funded primarily through grant resources to widen the Reyes Adobe Bridge.

Major projects in fiscal year ended 2009/2010 include:

- ❖ City wide street resurfacing and sidewalk repairs.
- ❖ Construction in progress on the Reyes Adobe Bridge Widening.

**City of Agoura Hills Capital Assets**  
**(Net of depreciation)**

	<b>2010</b>	<b>2009</b>
Land	\$8,971,428	\$8,341,428
Construction in progress	29,557,988	26,241,187
Building & improvements	8,955,596	8,977,989
Vehicles	253,082	281,335
Infrastructure	16,816,464	17,445,096
Total Net Assets (Restated)	\$64,554,558	\$61,287,035

Additional information on the City's capital assets can be found in Note 3(C) in the basic Financial Statements.

**LONG-TERM DEBT**

At the end of the current fiscal year, the City of Agoura Hills had total debt outstanding of \$26.9 million. The City's long-term obligations as of June 30, 2010 and 2009 were as follows:

**City of Agoura Hills Outstanding Debt**

	<b>2010</b>	<b>2009</b>
2007 Lease Revenue Bonds	\$11,147,408	\$11,303,375
2008 RDA Tax allocation Bonds	5,695,000	5,750,000
2008 RDA Housing Set-Aside Bonds	9,695,221	9,824,915
Compensated Absences	285,931	251,648
Other post-employment benefits	66,955	66,022
Total Outstanding Debt	\$26,890,515	\$27,195,960

Additional information on the City's long-term debt can be found in Note 3(D) of the basic Financial Statements.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Management's Discussion and Analysis**  
**June 30, 2010**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

In preparing the budget for 2010/2011 the following factors were taken in to consideration:

- ❖ Salary and benefits are estimated to adjust upward by 4 percent.
- ❖ Several anticipated large capital projects, including Thousand Oaks Boulevard Resurfacing (\$1.7 million), and the design phase of the Chesebro Bridge Widening (\$557 thousand).

The City's operating budget for 2010/2011 reflects the use of sales tax override funds known as Proposition C funds to pay for the complete the Thousand Oaks Boulevard Resurfacing and Measure R grant monies for the design of the Chesebro Bridge Widening. It is anticipated that the City will remain in good financial condition throughout the fiscal year and beyond.

**REQUEST FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Agoura Hills Finance Department, 30001 Ladyface Court, Agoura Hills, California 91301 or (818) 597-7319.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Statement of Net Assets**  
**June 30, 2010**

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 38,920,367
Receivables:	
Accounts and taxes	741,224
Interest	103,731
Deferred loans	636,003
Due from other governments	2,463,600
Other	795
Prepays	17,485
Deferred charges	1,093,664
Investment in Joint Ventures - Community Center	2,250,084
Land held for resale	4,219,612
Capital assets:	
Capital assets not being depreciated	38,529,416
Capital assets being depreciated, net of accumulated depreciation	26,025,142
Total Assets	115,001,123
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	2,307,214
Interest payable	444,004
Noncurrent liabilities:	
Due within one year	414,283
Due in more than one year	26,476,232
Total Liabilities	29,641,733
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	57,211,864
Restricted for:	
Special projects	5,183,565
RDA set-aside (low/moderate income housing)	4,050,660
Inclusionary housing in lieu	2,413,185
Debt service	408,867
Unrestricted	16,091,249
Total Net Assets	\$ 85,359,390

See accompanying Notes to Basic Financial Statements.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Statement of Activities**  
**For the Year Ended June 30, 2010**

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Assets
					Total Governmental Activities
Governmental Activities:					
General government	\$ 3,797,117	\$ 63,389	\$ 72,379	\$ 147,000	\$ (3,514,349)
Public safety	4,069,389	751,293	160,613	19,588	(3,137,895)
Public works	5,557,145	119,493	1,761,535	2,673,585	(1,002,532)
Community development	1,821,939	78,863	261,852	74,473	(1,406,751)
Pass through to other agencies	3,677,954	-	-	-	(3,677,954)
Community services	2,223,534	244,876	-	187,818	(1,790,840)
Interest and fiscal charges	1,407,800	-	-	-	(1,407,800)
<b>Total Governmental Activities</b>	<b>\$ 22,554,878</b>	<b>\$ 1,257,914</b>	<b>\$ 2,256,379</b>	<b>\$ 3,102,464</b>	<b>(15,938,121)</b>
General Revenues:					
					9,320,653
Property taxes					2,948,718
Sales taxes					68,491
Motor vehicle in lieu					757,737
Franchise taxes					1,590,124
Transient occupancy taxes					628,622
Investment income					253,837
Miscellaneous revenues					<u>15,568,182</u>
Total General Revenues					(369,939)
Change in Net Assets					85,729,329
Net Assets, Beginning of Year, as restated					<u>\$ 85,359,390</u>
Net Assets, End of Year					

See accompanying Notes to Basic Financial Statements.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2010**

	Debt Service		Capital Projects		
	General Fund	Redevelopment	Redevelopment Set-Aside	Redevelopment	Reyes Adobe Interchange
<b>ASSETS</b>					
Cash and investments	\$ 7,875,995	\$ 1,279,232	\$ 12,597,823	\$ 2,199,257	612,344
Receivables:					
Accounts	537,324	-	-	-	-
Interest	28,801	372	40,018	6,609	-
Deferred loans	-	-	189,618	-	-
Due from other governments	720,115	179,160	-	-	1,309,505
Other	795	-	-	-	-
Due from other funds	1,813,946	-	-	-	-
Prepays	17,485	-	-	-	-
Land held for resale	115,000	-	-	4,104,612	-
<b>Total Assets</b>	<b>\$ 11,109,461</b>	<b>\$ 1,458,764</b>	<b>\$ 12,827,459</b>	<b>\$ 6,310,478</b>	<b>\$ 1,921,849</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenditures	\$ 763,397	\$ 605,893	\$ 78,828	\$ 13,195	\$ 165,891
Due to other funds	-	-	-	-	1,755,958
Deferred revenue	-	-	189,618	-	847,096
<b>Total Liabilities</b>	<b>763,397</b>	<b>605,893</b>	<b>268,446</b>	<b>13,195</b>	<b>2,768,945</b>
<b>FUND BALANCES</b>					
<b>Reserved:</b>					
Prepays	17,485	-	-	-	-
Land held for resale	115,000	-	-	4,104,612	-
Low/moderate income housing	-	-	12,559,013	-	-
Inclusionary housing in lieu	-	-	-	-	-
Reyes Adobe interchange project	-	-	-	-	-
Debt service	-	852,871	-	-	-
<b>Total Reserved Fund Balance</b>	<b>132,485</b>	<b>852,871</b>	<b>12,559,013</b>	<b>4,104,612</b>	<b>-</b>
<b>Unreserved, reported in:</b>					
General fund	10,213,579	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	2,192,671	(847,096)
Debt service fund	-	-	-	-	-
<b>Total Fund Balances</b>	<b>10,346,064</b>	<b>852,871</b>	<b>12,559,013</b>	<b>6,297,283</b>	<b>(847,096)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,109,461</b>	<b>\$ 1,458,764</b>	<b>\$ 12,827,459</b>	<b>\$ 6,310,478</b>	<b>\$ 1,921,849</b>

See accompanying Notes to Basic Financial Statements.



Non-major Governmental Funds	Total Governmental Funds
\$ 14,355,716	\$ 38,920,367
203,900	741,224
27,931	103,731
446,385	636,003
254,820	2,463,600
-	795
-	1,813,946
-	17,485
-	4,219,612
<u>\$ 15,288,752</u>	<u>\$ 48,916,763</u>
\$ 680,010	\$ 2,307,214
57,988	1,813,946
598,941	1,635,655
<u>1,336,939</u>	<u>5,756,815</u>
-	17,485
-	4,219,612
-	12,559,013
2,413,185	2,413,185
1,557,390	1,557,390
-	852,871
<u>3,970,575</u>	<u>21,619,556</u>
-	10,213,579
5,077,850	5,077,850
4,900,440	6,246,015
2,948	2,948
<u>13,951,813</u>	<u>43,159,948</u>
<u>\$ 15,288,752</u>	<u>\$ 48,916,763</u>

CITY OF



AGGURA HILLS

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Reconciliation of the Government Funds Balance Sheet**  
**to the Statement of Net Assets**  
**June 30, 2010**

Fund Balances of Governmental Funds	\$ 43,159,948
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	64,554,558
Investment in Joint Venture Community Center represents interest only in capital assets of the joint venture rather than a financial asset and, therefore, is not reported in the funds.	2,250,084
The long-term debt (e.g. bonds, leases) is not due and payable in the current period and therefore is not reported in the funds.	(26,823,560)
Deferred charges related to the issuance of long term debt are recorded as expenditures in governmental fund statements.	1,093,664
Interest on long-term debt liabilities are not due and payable in the current period and therefore, are not reported in the funds.	(444,004)
Post-employment benefits are considered long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.	(66,955)
Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, the revenues are included on the accrual basis used in the governmental-wide statements.	<u>1,635,655</u>
Net Assets of Governmental Activities	<u><u>\$ 85,359,390</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2010**

	General Fund	Debt Service		Capital Projects	
		Redevelopment	Redevelopment Set-Aside	Redevelopment	Reyes Adobe Interchange
<b>REVENUES:</b>					
Taxes	\$ 9,315,528	\$ 5,301,704	\$ -	\$ -	\$ -
Licenses and permits	395,989	-	-	-	-
Intergovernmental revenues	275,663	-	-	-	-
Charges for services	597,910	-	-	-	-
Fines and penalties	110,846	-	-	-	-
Investment income	205,797	55,360	172,022	16,779	2,164
Rental income	80,845	-	-	-	-
Other revenues	101,290	-	-	-	1,183,934
Total Revenues	11,083,868	5,357,064	172,022	16,779	1,186,098
<b>EXPENDITURES:</b>					
Current:					
General government	3,302,148	-	433,639	1,020,228	18,797
Pass through to other agencies	-	3,677,954	-	-	-
Public safety	3,848,920	-	-	-	-
Community development	855,722	-	549,892	354,527	-
Community services	1,683,638	-	-	-	-
Public works	1,170,622	-	15,811	56,233	-
Debt Service:					
Principal	-	190,000	-	-	-
Interest and fiscal charges	-	901,527	-	-	-
Capital outlay	629,999	-	-	-	2,694,774
Total Expenditures	11,491,049	4,769,481	999,342	1,430,988	2,713,571
Excess (deficiency) of revenues over (under) expenditures	(407,181)	587,583	(827,320)	(1,414,209)	(1,527,473)
Other Financing Sources (Uses):					
Transfers in	3,871,902	1,068,350	1,060,341	1,880,162	680,377
Transfers out	(2,213,557)	(1,683,649)	(593,539)	(474,811)	-
Total Other Financing Sources (Uses)	1,658,345	(615,299)	466,802	1,405,351	680,377
Net Change in Fund Balances	1,251,164	(27,716)	(360,518)	(8,858)	(847,096)
Fund Balances at Beginning of Year, as restated	9,094,900	880,587	12,919,531	6,306,141	-
Fund Balances (Deficit) at End of Year	\$ 10,346,064	\$ 852,871	\$ 12,559,013	\$ 6,297,283	\$ (847,096)

See accompanying Notes to Basic Financial Statements.

Non-major Governmental Funds	Total Governmental Funds
\$ -	\$ 14,617,232
-	395,989
2,553,816	2,829,479
793,134	1,391,044
163,298	274,144
137,824	589,946
-	80,845
61,840	1,347,064
<u>3,709,912</u>	<u>21,525,743</u>
86,287	4,861,099
-	3,677,954
218,549	4,067,469
-	1,760,141
488,682	2,172,320
886,521	2,129,187
175,000	365,000
494,831	1,396,358
2,338,038	5,662,811
<u>4,687,908</u>	<u>26,092,339</u>
(977,996)	(4,566,596)
2,260,800	10,821,932
<u>(5,856,376)</u>	<u>(10,821,932)</u>
<u>(3,595,576)</u>	-
(4,573,572)	(4,566,596)
18,525,385	47,726,544
<u>\$ 13,951,813</u>	<u>\$ 43,159,948</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2010**

Net Change in Fund Balances - Total Governmental Funds		\$ (4,566,596)
Amounts reported for the governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital expenditures	\$ 5,093,468	
Depreciation expense	<u>(1,825,945)</u>	3,267,523
Share of expenses for Joint Venture in Community Center is not recorded as a financial expenditure, rather it is recorded in the statement of activities as an expense.		
		(56,261)
Issuance of long-term debt including capital advance, compensated absences and leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources in governmental funds. Neither transaction has any effect on net assets.		
Principal payment	365,000	
Amortization of bond issuance costs	(40,765)	
Amortization of deferral on refunding and discount	(24,339)	
Change in compensated absences	<u>(34,283)</u>	265,613
Interest on long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.		
		(11,442)
Post-employment benefits are considered long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.		
		(932)
Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, the revenues are included on the accrual basis used in the government-wide statements.		
		<u>732,156</u>
Change in Net Assets of Governmental Activities		<u><u>\$ (369,939)</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Fund**  
**June 30, 2010**

ASSETS

Cash and investments	\$ 1,036,954
Accounts receivable	35,230
Due from other governments	74,471
Total Assets	<u>\$ 1,146,655</u>

LIABILITIES

Accounts payable	<u>1,146,655</u>
Total Liabilities	<u>\$ 1,146,655</u>

See accompanying Notes to Basic Financial Statements.

CITY OF



AGGURA HILLS



## **NOTES TO FINANCIAL STATEMENTS**

CITY OF



AGGURA HILLS

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

**A. Description of Reporting Entity**

The City of Agoura Hills (City) was incorporated December 8, 1982, under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities. The City operates under a Council/Manager form of government. As required by generally accepted accounting principles, these financial statements present the government and its component units for which the government is considered financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations and data from these units are combined with data of the City of Agoura Hills, the primary government. Each component unit has a June 30 year end.

***Blended Component Units***

The Agoura Hills Redevelopment Agency, the Agoura Hills Public Facilities Corporation and the Agoura Hills Public Financing Authority are legally separate entities. The Agoura Hills City Council exercises financial accountability over each entity. Financial accountability is determined on the basis of budget adoption, taxing authority, funding, and the appointment of the governing board. Additionally, City staff manages the operations of each of these organizations on a contractual or reimbursement basis. A discussion of each entity follows.

The Agoura Hills Redevelopment Agency (Agency) was established March 9, 1988 pursuant to the laws of the State of California Health and Safety Code, Section 33000 et. seq., and is a separate governmental entity. The elected City Council serves as board members for the Agency. The primary purpose of the Agency is to address blighting conditions that exist within the City's freeway and roadside commercial corridor. The area is suffering from physical blight and economic disuse arising from poor and inadequate planning, street layout and street access. Improvements are necessary to increase economic growth in the City.

On November 9, 1994, the Redevelopment Agency adopted its Redevelopment Plan. Pass-through agreements with all of the underlying taxing entities were completed by June 30, 1994. No new pass through agreements were approved during fiscal year 2009-2010. Complete financial statements for the Agoura Hills Redevelopment Agency can be obtained from the Finance Department at:

City of Agoura Hills  
30001 Ladyface Court  
Agoura Hills, California 91301

The Agoura Hills Public Facilities Corporation (Corporation) was incorporated January 5, 1988 as a not-for-profit public benefit corporation and determined to be tax exempt pursuant to Revenue and Taxation Code 23701(d) of the State of California. The sole purpose of the Corporation is to provide a financing vehicle for the construction of public facilities. The members of the City Council act as the governing board of the Corporation. No financial activity is reported as the Corporation is not active.

The Agoura Hills Public Financing Authority (Authority) was organized in April 2001 under a joint exercise of power agreement to provide financing for public capital improvements for the City and the Agoura Hills Redevelopment Agency. The members of the City Council act as the governing board of the Financing Authority. The Authority does not issue separate financial statements.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

***B. Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been eliminated from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grant and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter is excluded from the government-wide statements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, including property taxes, sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grant, entitlements and donations is recognized in the fiscal year from which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end, except for sales tax revenues which are considered to be available if collected within ninety days after year-end. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments and compensated absences, which are recognized as an expenditure to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)***

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. It is used to account for resources traditionally associated with the government which are not required legally or by sound financial management to be accounted for in another fund. All general tax revenue and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.

The Redevelopment Debt Service Fund is used to account for accumulation of resources for, and the payments of, long-term debt principal, interest and related costs.

The Redevelopment Set-Aside Capital Projects Fund is used to account for financial resources that were required to be set-aside for low and moderate income housing and related expenditures.

The Redevelopment Capital Projects Fund is used to account for financial resources segregated for the acquisition and rehabilitation of capital projects within the redevelopment project area.

The Reyes Adobe Interchange Capital Projects Fund is used to account for the funds to be used for the widening of the Reyes Adobe Bridge.

Additionally, the City reports the following fund types:

***Governmental Funds:***

The Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs, other than capitalized leases and compensated absences, which are paid from the governmental funds.

The Capital Projects Funds are used to account for financial resources used for the acquisition and construction of major capital facilities.

***Fiduciary Fund:***

The Fiduciary Fund is an Agency Fund used to account for various assets such as developer fees and L.A. County Fire Department fees held by the City in a trustee capacity or as an agent for individuals, private organizations and/or other governments. The City also acts as a secretary for an organization in which the money is held in the Agency Fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operation. Agency funds are accounted for using the accrual basis of accounting.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)***

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed.

***Use of Estimates***

The preparation of the City's basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements, and revenues and expense/expenditures during the reported period. Actual results could differ from those estimates.

***New Accounting Pronouncements***

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for periods beginning after December 15, 2006, provides guidance for state and local governments on the accounting and reporting of postemployment healthcare and other nonpension benefits and required disclosures. This statement requires the employer to recognize the cost of benefits in the periods when the related services are received and to provide certain plan information, such as the funding policy, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded. For most employers, annual OPEB cost will be based on actuarial valuations. The City implemented the new requirements for the fiscal year 2009-10 financial statements.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, effective for periods beginning after June 15, 2009, requires that intangible assets be classified as capital assets. The City implemented the new requirements for the fiscal year 2009-10 financial statements. There was no significant impact to the financial statements.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for periods beginning after June 15, 2010, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The City intends to implement the new requirements for the fiscal year 2010-11 financial statements.

***D. Assets, Liabilities, and Net Assets or Equity***

***1. Deposits and Investments***

The City's cash and investments are cash on hand, demand deposits and the State of California Local Agency Investment Fund. Investments are stated at fair value.

The City maintains a cash and investment pool for the general operation of the City. Each fund type's portion of the pool is reported on the financial statements as Cash and Investments. Interest earned on pooled cash and investments is distributed quarterly to each fund based upon each fund's proportionate share of the pool.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

***D. Assets, Liabilities, and Net Assets or Equity (Continued)***

***1. Deposits and Investments (Continued)***

The City has monies held by trustees or fiscal agents pledged to the payment or security of certain bonds. The California Government Code provides these monies, in the absence of specific statutory provisions governing the issuance of bonds, may be invested in accordance with the ordinance, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions and indentures are generally more restrictive than the City's general investment policy.

***2. Receivables and Payables***

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., short-term interfund loans) or as "advances to/from other funds" (i.e., long-term interfund loans).

Property tax revenue is recognized when susceptible to accrual in the accounting period in which taxes are measurable and available. Property taxes are considered available by the City if they are collected within 60 days after year end. There is no allowance for uncollectibles. Assessed valuations are determined on an annual basis by the Los Angeles County Assessor. Taxes attach as an enforceable lien on property as of January 1, are levied on July 1, are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10 of each year.

***3. Prepaids***

Certain membership dues and payments to vendors represent expenses that apply to future accounting periods.

***4. Land Held for Resale***

Land held for resale is carried at the lower of cost or estimated realizable value determined at the date a disposition and development agreement is executed. Fund balances are reserved in amounts equal to the carrying value of land held for resale because such assets are not available to finance the City's current operations.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

***D. Assets, Liabilities, and Net Assets or Equity (Continued)***

***5. Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the governmental activities columns in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair value on the date donated. Capital assets subject to lease obligations are valued at the present value of future lease payments at the inception of the lease. Depreciation of all exhaustible capital assets used by governmental activities is charged as an expense against their operations. Accumulated depreciation is reported on the statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method over the following estimated useful lives:

Buildings and improvements	50 years
Vehicles	7-15 years
Machinery	5-30 years
Equipment	5-15 years
Infrastructure	20-50 years

Capitalization threshold of capital assets is based at a minimum value as follows:

Buildings and building improvements	\$ 25,000
Vehicles, machinery, and equipment	10,000
Infrastructure	25,000

***6. Vacation and Compensatory Time (Compensated Absences)***

Compensated absences are recorded in accordance with GAAP. Only vested or accumulated compensated absences that are expected to be due or mature are reported as an expenditure and fund liability of the governmental fund that will pay it. Amounts of vested or accumulated compensated absences that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities of the government-wide financial statements.

***7. Long-term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, as well as issuance costs and gains and losses on debt refunding are deferred and amortized. Bonds payable are reported net of the applicable bond premium or discount and deferral on refunding.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY*

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The City is required to adopt an annual budget resolution for the General Fund and Special Revenue Funds. All annual appropriations either lapse at year end or are carried forward at City Manager's discretion.

The budget is prepared by fund, function and activity, and includes actual information for the past year, current year estimates and requested appropriations for the next fiscal year. The budget is a statement of the goals and objectives of the City for that fiscal year. The budget provides management control at the functional departmental level. The City Manager may authorize the transfer of funds within the same department. Responsible individuals review progress against their budget each month. The City Council considers supplemental budget amendment requests during the year and reviews changes at mid-year and year end.

**B. Deficit Fund Balances**

The following funds had deficit fund balances at June 30, 2010:

Major governmental fund:	
Reyes Adobe interchange capital projects fund	\$ 847,096
No major governmental fund:	
Other grants special revenue fund	\$ 60,523

These deficits are expected to be eliminated with reimbursements from the State and Federal government.

*NOTE 3 - DETAILED NOTES ON ALL FUNDS*

**A. Cash and Investments**

Cash and investments as of June 30, 2010 are classified in the accompanying financial statements as follows:

Statement of Net Assets	
Cash and investments	\$ 38,920,367
Fiduciary Fund	
Cash and investments	1,036,954
Total Cash and Investments	<u>\$ 39,957,321</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)*

**A. Cash and Investments (Continued)**

Cash and investments at June 30, 2010 consisted of the following:

<b>Demand accounts (bank balances):</b>	\$ 1,380,956
Add deposits in transit	39,114
Less outstanding checks	(170,021)
Book balance	1,250,049
Petty cash	800
Total Deposits and Petty Cash	1,250,849
<b>Investments:</b>	
State of California Local Agency Investment Fund (LAIF)	24,985,956
Federal agency securities	11,265,467
Held by bond trustee	
State of California Local Agency Investment Fund (LAIF)	1,555,751
Money market funds	71,327
Federal agency securities	827,971
Total Held by Bond Trustee	2,455,049
Total Investments	38,706,472
Total Cash and Investments	\$ 39,957,321

***Investments Authorized by the California Government Code and the City's investment Policy:***

The City's investment policy authorizes following investments under provisions of California Government Code Section 53601.

Investment Types Authorized by State Law	Percentage of Portfolio	Maximum Maturity
Local Agency Investment Fund ** (LAIF)	\$40 million	N/A
U.S. Treasury Issues	Unlimited	5 Years
Federal Agency Securities		
Federal Farm Credit Bank (FFCB) and Federal Home Loan Bank (FHLB) only	30%	5 Years
Commercial Paper	25%	270 Days
Negotiable Certificates of Deposit (CD)	30%	5 Years
Medium Term Corporate Notes	30%	5 Years

\*\* Limit set by LAIF Governing Board not State Government Code.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)*

**A. Cash and Investments (Continued)**

***Investments Authorized by Debt Agreements:***

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the general investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	None	None	None
Federal Housing Administration Debentures	None	None	None
U.S. Agency Securities	None	None	None
Unsecured CDs, time deposits, and Banker's Acceptances	30 days	None	None
FDIC Insured Bank Deposits	None	None	None
Commercial Paper	270 days	None	None
Money Market Funds	N/A	None	None
State Obligations	None	None	None
Pre-funded Municipal Obligations	None	None	None
Repurchase Agreements	270 days	None	None
Investment Agreements	None	None	None
Local Agency Investment Fund (LAIF)	None	None	None

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)*

**A. Cash and Investments (Continued)**

***Disclosures Relating to Interest Rate Risk:***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of the year end the weighted average maturity of the investments contained in LAIF investment pool is approximately 203 days. The City's investment policy recognized the interest rate risk and therefore places maximum maturity limits (up to five years) on various types of allowable investments.

Investment Type	Totals	Remaining Maturity (In Months)		
		12 Months Or Less	13 to 24 Months	25 to 60 Months
LAIF	\$ 24,985,956	\$ 24,985,956	\$ -	\$ -
Federal agency securities:				
FHLB	6,113,267	2,081,880	2,022,190	2,009,197
FFCB	4,121,570	-	-	4,121,570
U.S. Treasury Notes	1,030,630	-	-	1,030,630
Held by bond trustee:				
LAIF	1,555,751	1,555,751	-	-
Money market funds	71,327	71,327	-	-
Federal agency securities:				
FHLB	400,596	296,815	-	103,781
FFCB	427,375	-	-	427,375
Total	<u>\$ 38,706,472</u>	<u>\$ 28,991,729</u>	<u>\$ 2,022,190</u>	<u>\$ 7,692,553</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)*

**A. Cash and Investments (Continued)**

***Disclosures Relating to Credit Risk:***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Totals	Minimum Legal Rating	Rating as of Year End	
			AAA	Not Rated
LAIF	\$ 24,985,956	N/A	\$ -	\$ 24,985,956
Federal agency securities:				
FHLB	6,113,267	N/A	6,113,267	-
FFCB	4,121,570	N/A	4,121,570	-
U.S. Treasury Notes	1,030,630	N/A	1,030,630	-
Held by bond trustee:				
LAIF	1,555,751	N/A	-	1,555,751
Money market funds	71,327	AAA	71,327	-
Federal agency securities:				
FHLB	400,596	N/A	400,596	-
FFCB	427,375	N/A	427,375	-
Total	<u>\$ 38,706,472</u>		<u>\$ 12,164,765</u>	<u>\$ 26,541,707</u>

***Concentration of Credit Risk:***

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in anyone issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) that represent 5 percent or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank (FHLB)	Federal Agency Security	\$ 6,513,863
Federal Farm Credit Bank (FFCB)	Federal Agency Security	\$ 4,548,945

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)*

**A. Cash and Investments (Continued)**

***Custodial Credit Risk:***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

Of the City's deposits with financial institutions, \$1,042,261 was in excess of federal depository insurance limits. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code, to collateralize the City's deposits as noted above.

***Investment in State Investment Pool:***

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2010 had a balance of \$69.4 billion. Of that amount, 5.42 percent was invested in structured notes and asset-backed securities. The average maturity of PMIA investments was 203 days as of June 30, 2010.

**B. Interfund Receivables, Payables, and Transfers**

***Due to/Due from***

	Due to General Fund
Due from:	
Reyes adobe interchange project major special revenue fund	\$ 1,755,958
Traffic congestion relief nonmajor special revenue fund	57,988
	\$ 1,813,946

The General Fund makes loans to other funds to cover the negative cash balance in those funds.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)*

**B. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund transfers**

	Transfers In						Totals
	Special Revenue		Capital Projects		Redevelopment Debt Service	Nonmajor Governmental	
	General Fund	Reyes Adobe Interchange Project Fund	Redevelopment Set-Aside Fund	Redevelopment Fund			
Transfers out:							
General fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,213,557	\$ 2,213,557
Redevelopment set-aside fund	-	-	-	-	593,539	-	593,539
Redevelopment capital projects fund	-	-	-	-	474,811	-	474,811
Redevelopment debt service fund	-	-	1,060,341	623,308	-	-	1,683,649
Nonmajor governmental funds	3,871,902	680,377	-	1,256,854	-	47,243	5,856,376
Total	<u>\$ 3,871,902</u>	<u>\$ 680,377</u>	<u>\$ 1,060,341</u>	<u>\$ 1,880,162</u>	<u>\$ 1,068,350</u>	<u>\$ 2,260,800</u>	<u>\$ 10,821,932</u>

The General Fund provides transfers to fund the Recreation Center and Stormwater capital projects, and fund debt repayment. The General Fund receives transfers from the Miscellaneous Special Grants Fund and the Traffic Improvement Fund related to reimbursements for capital projects. The Reyes Adobe Interchange Project Fund receives transfers from the Traffic Improvement Fund for the contribution towards capital projects. The Redevelopment set-aside, capital projects and debt service funds transfer tax increment and debt repayment.

**C. Capital Assets**

A summary of changes in capital asset activity for the year ended June 30, 2010 is as follows:

	Balance at June 30, 2009	Additions	Deletions	Balance at June 30, 2010
<b>Governmental Activities:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 8,341,428	\$ 630,000	\$ -	\$ 8,971,428
Construction in progress	26,241,187	3,316,801	-	29,557,988
Total Capital Assets Not Being Depreciated	<u>34,582,615</u>	<u>3,946,801</u>	<u>-</u>	<u>38,529,416</u>
<b>Capital Assets, Being Depreciated:</b>				
Buildings and improvements	10,510,527	187,818	-	10,698,345
Vehicles	499,660	25,000	-	524,660
Infrastructure	56,555,867	933,849	-	57,489,716
Total Capital Assets Being Depreciated	<u>67,566,054</u>	<u>1,146,667</u>	<u>-</u>	<u>68,712,721</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings and improvements	1,532,538	210,211	-	1,742,749
Vehicles	218,325	53,253	-	271,578
Infrastructure	39,110,771	1,562,481	-	40,673,252
Total Accumulated Depreciation	<u>40,861,434</u>	<u>1,825,945</u>	<u>-</u>	<u>42,687,579</u>
Total Capital Assets, Being Depreciated, Net	<u>26,704,620</u>	<u>2,972,612</u>	<u>-</u>	<u>26,025,142</u>
Governmental Activities Capital Assets, Net	<u>\$ 61,287,235</u>	<u>\$ 6,919,413</u>	<u>\$ -</u>	<u>\$ 64,554,558</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)*

**C. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 172,169
Public works	1,606,341
Park and recreation	47,435
Total Depreciation Expense - Governmental Activities	\$ 1,825,945

**D. Long-term Liability**

Long-term liability activity for the year ended June 30, 2010 was as follows:

Governmental Activities	As restated Balance at June 30, 2009	Additions	Reductions	Balance at June 30, 2010	Portion Due Within One Year
Bonds:					
2007 Lease Revenue Refunding Bonds	\$11,665,000	\$ -	\$ (175,000)	\$11,490,000	\$ 180,000
Bond discount	(57,875)	-	3,046	(54,829)	-
Deferred on refunding	(303,750)	-	15,987	(287,763)	-
2008 RDA Tax Allocation Bonds	5,750,000	-	(55,000)	5,695,000	55,000
2008 RDA Housing Set-Aside bonds	10,000,000	-	(135,000)	9,865,000	145,000
Bond discount	(175,085)	-	5,306	(169,779)	-
Other Long-Term Liabilities:					
Accrued compensated absences	251,648	241,831	(207,548)	285,931	34,283
Other post-employment benefits	66,022	166,932	(166,000)	66,955	-
Total Governmental Long-Term Liabilities	\$ 27,195,960	\$ 408,763	\$ (714,209)	\$ 26,890,515	\$ 414,283



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)*

**D. Long-term Liability (Continued)**

**1. 2007 Lease Revenue Refunding Bonds**

On March 1, 2007, the City issued \$12.06 million in Lease Revenue Refunding Bonds with interest rates ranging from 3.875 to 4.375 percent to defease \$8.8 million of 1999 Lease Revenue outstanding bonds. The principal of the bonds is payable on their maturity date of February 1, of each year. Interest on the bond is payable on February 1, and August 1, each year. The outstanding balance at June 30, 2010 is \$11,147,408 net of unamortized discount of \$54,829 and deferral on refunding of \$287,763.

The future debt service payments are as follows:

Year Ending June 30	Lease Revenue Bond		
	Principal	Interest	Total
2011	\$ 180,000	\$ 487,831	\$ 667,831
2012	185,000	480,631	665,631
2013	195,000	473,231	668,231
2014	200,000	465,431	665,431
2015	210,000	457,431	667,431
2016-2020	1,185,000	2,154,588	3,339,588
2021-2025	1,435,000	1,899,563	3,334,563
2026-2030	1,765,000	1,573,231	3,338,231
2031-2035	2,180,000	1,159,593	3,339,593
2036-2040	2,700,000	638,969	3,338,969
2041-2043	1,255,000	82,906	1,337,906
<b>Total</b>	<b>\$ 11,490,000</b>	<b>\$ 9,873,405</b>	<b>\$ 21,363,405</b>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)*

**D. Long-term Liability (Continued)**

**2. 2008 Redevelopment Agency Tax Allocation Bonds**

On May 23, 2008, the Agoura Hills Redevelopment Agency issued \$5,750,000 of Series 2008 A-T tax allocation bonds with interest rates ranging from 4.728 to 6.53 percent. The proceeds from the sale of bonds will be used to finance redevelopment projects benefiting the Agoura Hills Redevelopment Project areas. The Agency has pledged tax increment revenues to repay the entire principal and interest on the bonds. Principal of the bonds is payable on their maturity date of October 1 of each year. Interest on the bonds is payable on April 1 and October 1 each year. Total principal and interests remaining on the bond is \$15,277,690, payable through October 2041. For the current year, principal and interest paid and total tax increment revenues were \$479,996 and \$4,241,363 respectively. The outstanding balance at June 30, 2010 is \$5,695,000.

The future debt service payments are as follows:

Year Ending June 30	2008 Tax Allocation Bonds Series A-T		
	Principal	Interest	Total
2011	\$ 55,000	\$ 422,396	\$ 477,396
2012	60,000	419,658	479,658
2013	60,000	416,519	476,519
2014	65,000	413,260	478,260
2015	70,000	409,599	479,599
2016-2020	400,000	1,981,507	2,381,507
2021-2025	565,000	1,826,471	2,391,471
2026-2030	785,000	1,596,411	2,381,411
2031-2035	1,135,000	1,253,070	2,388,070
2036-2040	1,645,000	741,853	2,386,853
2041-2042	855,000	101,946	956,946
<b>Total</b>	<b>\$ 5,695,000</b>	<b>\$ 9,582,690</b>	<b>\$ 15,277,690</b>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)*

**D. Long-term Liability (Continued)**

**3. 2008 Redevelopment Agency Housing Set-Aside Tax Allocation Bonds**

On May 23, 2008, the Agoura Hills Redevelopment Agency issued \$10,000,000 of Series 2008 Housing Set-Aside Tax Allocation bonds with interest rates ranging from 4.00 to 4.75 percent. The proceeds from the bond will be issued to finance low and moderate income housing of the Agency. The Agency has pledged Housing Set-Aside Revenues to repay the entire principal and interest on the bonds. Principal of the Bonds is payable on their maturity date of October 1 of each year. Interest on the bonds will be payable semi-annually on April 1 and October 1 of each year commencing October 1, 2008. Total principal and interest remaining on the bonds is \$19,785,129, payable through October 2041. For the current year, principal and interest paid and total Housing Set-Aside revenues were \$615,531 and \$1,060,341 respectively. The outstanding balance at June 30, 2010 is \$9,695,221, net of unamortized discount of \$169,779.

The future debt service payments are as follows:

Year Ending June 30	Housing Set-Aside Tax Allocation Bonds 2008		
	Principal	Interest	Total
2011	\$ 145,000	\$ 475,131	\$ 620,131
2012	150,000	469,331	619,331
2013	155,000	463,331	618,331
2014	160,000	457,131	617,131
2015	165,000	450,731	615,731
2016-2020	945,000	2,145,699	3,090,699
2021-2025	1,175,000	1,916,775	3,091,775
2026-2030	1,485,000	1,600,750	3,085,750
2031-2035	1,905,000	1,190,250	3,095,250
2036-2040	2,430,000	664,000	3,094,000
2041-2042	1,150,000	87,000	1,237,000
Total	<u>\$ 9,865,000</u>	<u>\$ 9,920,129</u>	<u>\$ 19,785,129</u>

**4. Arbitrage Rebate**

The Tax Reform Act instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not paid to the federal government at least every five years.

During the current year, the City performed calculations of excess investment earnings on various bonds and financings in accordance with arbitrage regulations. The City has determined that no arbitrage rebate liability exists as of June 30, 2010.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)*

**E. Long-term Liability (Continued)**

**5. Employee Compensated Absences Payable**

The City's policies relating to compensated absences are described in Note (l)(d)6. This liability will be paid in future years from future resources.

**F. Reserved Fund Balances**

Reservations of fund balances represent amounts that are not appropriable or are legally segregated for a specific purpose.

Reserved fund balances at June 30, 2010 are as follows:

	General Fund	Capital Projects Redevelopment Set-Aside	Capital Projects Redevelopment	Redevelopment Debt Service	Nonmajor Governmental Funds	Total
Reserved for:						
Prepays	\$ 17,485	\$ -	\$ -	\$ -	\$ -	\$ 17,485
Land held for resale	115,000	-	4,104,612	-	-	4,219,612
Low/moderate income housing	-	12,559,013	-	-	-	12,559,013
Inclusionary housing in lieu	-	-	-	-	2,413,185	2,413,185
Reyes Adobe interchange project	-	-	-	-	1,557,390	1,557,390
Reserved for debt service	-	-	-	852,871	-	852,871
Total Reserved Fund Balance	<u>\$ 132,485</u>	<u>\$ 12,559,013</u>	<u>\$ 4,104,612</u>	<u>\$ 852,871</u>	<u>\$ 3,970,575</u>	<u>\$21,619,556</u>

*NOTE 4 - OTHER INFORMATION*

**A. Defined Benefit Pension Plan**

Plan Description: The City of Agoura Hills contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their executive office: 400 "P" Street, Sacramento, California 95814.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 4 - OTHER INFORMATION (Continued)*

**A. Defined Benefit Pension Plan (Continued)**

Funding Policy: Participants are required to contribute 7 percent of their annual covered salary. The City makes the contributions required of the City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 10.498 percent of annual payroll for covered employees. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost: For the year ended June 30, 2010, the City's annual pension cost of \$318,200 for PERS was equal to the City's required and actual contributions.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 282,000	100%	\$ -
6/30/2009	307,000	100%	-
6/30/2010	318,200	100%	-

**B. Self-Insurance**

**1. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The City of Agoura Hills is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

**2. Self-Insurance Programs of the Authority**

Liability - Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$30,000 of each occurrence is charged directly to the member's primary deposit; (2) costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000; (3) losses from \$750,000 to \$5,000,000 and the associated loss development reserves are pooled based on payroll; (4a) costs of covered claims from \$5,000,000 to \$10,000,000 are paid under reinsurance policies and are subject to a \$2,500,000 annual aggregate deductible; (4b) costs of covered claims from \$10,000,000 to \$50,000,000 are covered through excess insurance policies; (4c) Costs of covered claims for subsidence losses are paid by excess insurance with a sub-limit of \$25,000,000 per occurrence per member. This \$25,000,000 subsidence sub-limit is composed of \$10,000,000 in reinsurance and \$15,000,000 in excess insurance.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 4 - OTHER INFORMATION (Continued)*

**B. Self-Insurance (Continued)**

**2. Self-Insurance Programs of the Authority (Continued)**

The excess insurance layer has a \$15,000,000 annual aggregate. The costs associated with 4a, 4b, and 4c are estimated using actuarial models and pre-funded as part of the primary and retrospective deposits.

The overall policy limit for each member including all layers of coverage is \$50,000,000 per occurrence.

Workers' Compensation - The City of Agoura Hills also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$50,000 of each loss is charged directly to the member's primary deposit; (2) losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000; (3) losses from \$100,000 to \$2,000,000 and the loss development reserves associated with those losses are pooled based on payroll; (4) losses from \$2,000,000 up to statutory limits are paid under an excess insurance policy. Protection is provided per statutory liability under California Workers' Compensation law.

Employer's Liability losses are pooled among members to \$2,000,000, coverage from \$2,000,000 to \$4,000,000 is purchased as part of an excess insurance policy, and losses from \$4,000,000 to \$10,000,000 are pooled among members.

**3. Purchased Insurance**

Environmental Insurance - The City of Agoura Hills participates in the pollution legal liability and remediation legal liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by City of Agoura Hills. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50,000,000 for the 3-year period from July 1, 2008 through July 1, 2011. Each member of the Authority has a \$10,000,000 sub-limit during the 3-year term of the policy.

Property Insurance - The City of Agoura Hills participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City of Agoura Hills property is currently insured according to a schedule of covered property submitted by the City of Agoura Hills to the Authority. The City of Agoura Hills currently has all-risk property insurance protection in the amount of \$18,509,144. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Crime Insurance - The City of Agoura Hills purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is arranged by the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 4 - OTHER INFORMATION (Continued)*

**B. Self-Insurance (Continued)**

**4. Adequacy of Protection**

During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

**C. Commitments/Operating Leases**

1. The City has entered into two operating leases for copiers. Lease terms are 60 months with both leases expiring in August 2012. The City also executed a ground lease with Saint Paul's Lutheran Church for a recreation facility site. This lease expired in fiscal year ending 2009. The City exercised an option to extend for an additional 5 year period and will expire in fiscal year ending 2014. The monthly payment escalates by CPI every 24 months.

The following schedule lists future minimum lease payments:

Year Ending June 30,	Recreation Center	Equipment	Totals
2011	\$ 20,711	\$ 8,676	\$ 29,387
2012	20,711	8,676	29,387
2013	20,711	-	20,711
2014	10,356	-	10,356

2. The City contracts with the Los Angeles County Department of Public Works and Sheriff's Department to provide certain municipal services. During the year ended June 30, 2010, the City incurred expenditures of approximately \$165,818 and \$3,530,204 for Public Works and Public Safety services, respectively.
3. During the fiscal year, the City awarded a capital project contract related to the U.S. 101/Reyes Adobe Road Improvements Project. As of June 30, 2010 the unpaid balance of this construction contract is \$3,057,585.
4. In January 2009, the Agency entered into an option agreement with the Las Virgenes Unified School District (District). This agreement granted the Agency three consecutive options to lease certain real property owned by the District. In consideration of the option, the Agency agreed to pay the District three annual payments of \$250,000, beginning in fiscal year 2008-2009 and ending in 2010-2011. In fiscal year 2009-2010 the Agency extended the option and paid the second installment of \$250,000. If the Agency does not extend the third option during fiscal year 2010-2011 or does not exercise the option prior to the expiration of the third option, the option to lease will automatically expire.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 4 - OTHER INFORMATION (Continued)*

**C. Commitments/Operating Leases, (Continued)**

5. On July 24, 2009, the State Legislature passed Assembly Bill (AB) 26 4x, which requires redevelopment agencies statewide to deposit a total of \$2.05 billion of property tax increment in county "Supplemental" Educational Revenue Augmentation Funds (SERAF) to be distributed to meet the State's Proposition 98 obligations to schools. The SERAF revenue shift of \$2.05 billion will be made over two years, \$1.7 billion in fiscal year 2009-2010 and \$350 million in fiscal year 2010-2011. The SERAF would then be paid to school districts and the county offices of education which have students residing in redevelopment project areas, or residing in affordable housing projects financially assisted by a redevelopment agency, thereby relieving the State of payments to those schools. The Agency made a payment of \$1,005,275 during fiscal year 2009-2010. The Agency's share of this revenue shift is approximately \$251,094 in fiscal year in 2010-2011. Payments are to be made by May 10 of each respective fiscal year and are being accounted for by the City in general government of the Redevelopment Capital Projects Fund.

**D. Joint Venture**

On November 24, 1997, the Agoura Hills and Calabasas Community Center Authority (Authority) was created under a joint exercise of powers agreement. It was formed for the construction, furnishing, maintenance and operation of a Joint Recreation Center. The governing Board of Directors consists of one City Council Member from each City, two residents of each City appointed by City Council, and the President or a member of the Executive Board of the Alliance (a nonprofit organization formed for the sole purpose of raising funds for the Center). The City's participation in the joint venture is reported as Investment in Joint Venture, on the statement of net assets. The balance at June 30, 2010 was \$2,250,084.

Each City contributed money towards the construction of the Community Center, which was completed in March 2001. The Authority now oversees the operations and maintenance of the Community Center. The Cities of Agoura Hills and Calabasas will equally share in any profit or loss from operation of the Community Center. Authority financial statements are not available for the fiscal year ended June 30, 2010.

**E. Housing Rehabilitation Loan Program**

During the year, the City participated in a housing rehabilitation loan program through the County of Los Angeles, administered with CDBG funds. The loan program offers qualified applicants a \$5,000 grant award and loan amount up to \$20,000 which is due to the City upon the sale or refinancing of the property. As of June 30, 2010, the City has outstanding loans in the amount of \$446,385. During the fiscal year ending June 30, 2010 the City had no new loans. The City records their loans as deferred loans receivable and deferred revenue in the Community Development Block Grant Special Revenue Fund.

**F. Redevelopment Set-Aside Loans**

During the year the Redevelopment Agency participated in a housing rehabilitation loan program, and a first time home buyer program, with Redevelopment Set-Aside funds. The housing rehabilitation loan program offers qualified applicants a loan amount up to \$25,000 which is due to the Agency upon the sale or refinancing of the property. The first time homebuyer program offers qualified applicants up to \$85,900, which is due upon sale or refinancing of the property. As of June 30, 2009, the Agency has outstanding loans in the amount of \$103,718 for rehabilitation loans, and \$85,900 for first time homebuyer loans. The Agency records these loans as deferred loans receivable in the Redevelopment Set-Aside Capital Projects Fund.



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 4 - OTHER INFORMATION (Continued)*

**G. Contingency**

Any claims for damages alleged against the City are referred to a claims adjuster through California Joint Powers Independent Authority (CJPIA) (see Note (4)(b)). Management believes that there is minimal exposure to the City on these matters, and that no case, so reported, exceeds existing liability coverage.

There are certain legal actions pending against the City which have arisen in the normal course of operations. Management believes these matters will be covered by insurance; however, their outcome and financial effect on the City cannot presently be determined, and no provision for any potential liability or losses has been included in the financial statements as of June 30, 2010.

The ultimate resolution of these pending legal actions is not expected to have a material effect on the financial position of the City.

**H. Redevelopment Agency Support**

The City and the Agency entered into a reimbursement agreement for services. The City estimated the Agency will be unable to pay the entire advance from available future revenues and therefore the advance is not reflected in the financial statements. There were no advances during the fiscal year 2009-2010. The balance for the advances at June 30, 2010 was \$16,414,328.

**I. Other Post-Retirement Health Care Benefits**

Effective July 1, 2009, the City implemented GASB Statement No. 45, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions by State and Local Governmental Employers*.

Plan description

In addition to the pension benefits defined in Note (4)(a), the City provides post-retirement health care benefits to all full time employees in accordance with the City's contract with the Public Employees' Retirement System (PERS) for participation in the State of California Public Employees' Medical and Hospital Care Act (PEMHCA). The City's contribution for each retiree is the same as full-time employees. The City contributed the PEMHCA minimum for all retirees (\$105 for 2010). Additionally, the City contributes longevity pay to a Retirement Health Savings (RHS) Trust plan of up to \$395 for those retirees with 10 years of service with the City of Agoura Hills, enrolled in a CalPERS health plan. The total of the PEMHCA minimum employer contribution and the additional benefit will not exceed \$500 per month. The RHS contribution may only be used to reimburse medical premiums. In the event of the retiree's death, the CalPERS eligible surviving spouse has the right to \$300 per month to pay for medical premiums for a maximum of 12 months. After 12 months surviving spouses will still be eligible to receive the PEMHCA minimum employer contribution.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 4 - OTHER INFORMATION (Continued)*

**I. Other Post-Retirement Health Care Benefits, (Continued)**

In September 2009, the City established an irrevocable trust through the CalPERS California Employers' Retiree Benefit Trust (CERBT) in order to prefund its other post-employment benefit (OPEB) obligation. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Eligibility

Employees are eligible for retiree health benefits if they retire from the City and are eligible for a PERS pension and are enrolled in a CalPERS retiree health plan. The benefits are available only to employees who retire from the City. Membership of the plan consisted of the following at June 30, 2010:

	<u>Number of</u> <u>Employees</u>
Active Employees	35
Retirees and Surviving Spouses	<u>9</u>
Total	<u><u>44</u></u>

The above table does not reflect current retirees not enrolled in the CalPERS health plan who may be eligible to enroll in the plan at a later date.

Funding Policy

The City's contribution is based on an actuarially determined amount. Current active employees are not required to contribute any portion towards these benefits.

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual other post-employment benefit cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 4 - OTHER INFORMATION (Continued)*

**I. Other Post-Retirement Health Care Benefits (Continued)**

The City's OPEB obligation as for the year ended June 30, 2010, per the completed actuarial valuation dated July 1, 2010, was \$66,955. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

	2009-10
Actuarial Accrued Liability (AAL)	\$ 1,408,199
Actuarial Value of Assets at beginning of year	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,408,199
Remaining Amortization Period	29
Normal Cost	\$ 78,000
Amortization of UAAL	88,000
Annual Required Contribution (ARC)	166,000
Annual Required Contribution (ARC)	166,000
Interest on net OPEB Obligation	5,118
Adjustment to ARC	(4,186)
Annual OPEB Cost	166,932
Contributions	166,000
Increase in net OPEB Obligation	932
Net OPEB Obligation - Beginning of Year, as restated	66,022
Net OPEB Obligation - End of Year	66,955

The City's obligation is accounted for in long-term liabilities at Note 3D.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the preceding year were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 156,000	57.7%	\$ 66,022
6/30/2010	\$ 166,932	99.4%	\$ 66,955

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 4 - OTHER INFORMATION (Continued)*

**I. Other Post-Retirement Health Care Benefits (Continued)**

*Funding Status and Progress*

As of July 1, 2010, the most recent valuation date, the actuarial accrued liability for benefits was \$1.3 million, and the actuarial value of assets was \$119,818, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.2 million and a funded ratio (actuarial value of assets as a percentage of the actuarial accrued liability) of 9.2 percent. The covered payroll (annual payroll of active employees covered by the plan) was \$2.9 million. The ratio of the UAAL to the covered payroll was 40 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

*Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 7.75 percent investment rate of return, which is based on the most recent California PERS pension valuations and an annual healthcare cost trend rate of 7.6 percent initially, reduced by decrements to an ultimate rate of 5.5 percent. The rates included a 3 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll over 30 years on a closed basis. It is assumed the City's payroll will increase 3.25 percent per year.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

*NOTE 5 - PRIOR PERIOD ADJUSTMENT*

During the 2009-2010 fiscal year, the City performed a review of the deferred loans balances and identified adjustments. As a result, the City restated beginning fund balance in the RDA Set-Aside Fund and restated beginning net assets to reflect the adjustments identified. Also during the 2009-2010 fiscal year, the City determined that GASB Statement No. 45, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions by State and Local Governmental Employers* should have been implemented during the 2008-2009 fiscal year. As a result, the City restated beginning net assets to reflect the amounts in accordance with GASB 45.

The following is a summary of the effect of the restatements for fund balance and net assets:

RDA Set-Aside fund balance, as previously reported	\$ 13,116,456
Effect of adjustment for reporting deferred loans	<u>(196,925)</u>
RDA Set-Aside fund balance, as restated	<u><u>\$ 12,919,531</u></u>
Net assets, as previously reported	\$ 85,767,651
Effect of adjustment for reporting deferred loans	27,700
Effect of adjustment for reporting Other Post-Employment Benefits	<u>(66,022)</u>
Net assets, as restated	<u><u>\$ 85,729,329</u></u>

*NOTE 6 – SUBSEQUENT EVENT*

On November 10, 2010 the City Council approved the purchase of real property in the amount of \$4,400,000.

CITY OF



AGGURA HILLS

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF



AGGURA HILLS



**CITY OF AGOURA HILLS, CALIFORNIA**  
**General Fund**  
**Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive
	Original	Final		(Negative)
<b>REVENUES</b>				
Sales tax	\$ 3,464,519	\$ 2,865,519	\$ 2,948,718	\$ 83,199
Other taxes:				
Property tax	4,076,266	4,034,834	3,918,018	(116,816)
Property transfer tax	90,000	100,000	100,931	931
Transient occupancy tax	1,900,000	1,700,000	1,590,124	(109,876)
Franchise fee	730,000	780,467	757,737	(22,730)
Total Other Taxes	<u>10,260,785</u>	<u>9,480,820</u>	<u>9,315,528</u>	<u>(165,292)</u>
Licenses and permits:				
Business registration	61,000	61,000	60,585	(415)
Building permits	178,000	300,000	313,348	13,348
Other licenses and fees	12,000	16,000	22,056	6,056
Total Licenses and permits	<u>251,000</u>	<u>377,000</u>	<u>395,989</u>	<u>18,989</u>
Intergovernmental:				
Motor vehicle in lieu	100,000	61,000	68,491	7,491
Other grants	51,500	200,600	207,172	6,572
Total Intergovernmental	<u>151,500</u>	<u>261,600</u>	<u>275,663</u>	<u>14,063</u>
Charges of services:				
Planning fees	158,300	89,500	78,863	(10,637)
Engineer plan check/inspection	30,000	30,000	27,454	(2,546)
Grading plan check	3,000	3,000	619	(2,381)
Building plan check	133,000	130,000	134,031	4,031
Encroachment permits	2,500	29,000	41,783	12,783
Park and recreation fees	325,000	285,000	242,213	(42,787)
Special event fees	2,300	2,700	2,663	(37)
Sale of maps and copies	3,000	3,000	2,804	(196)
SCACQ administrative service charges	1,200	1,200	1,200	-
Waste hauling administrative charges	27,000	27,000	27,000	-
Fire development fee	45,000	42,060	39,087	(2,973)
SIMP administrative fee	100	200	193	(7)
Total Charges for Services	<u>730,400</u>	<u>642,660</u>	<u>597,910</u>	<u>(44,750)</u>
Fines and penalties:				
Parking fines	70,000	75,000	72,999	(2,001)
False alarm fines	3,000	3,000	4,500	1,500
Restitution	-	2,000	2,000	-
Municipal court fines	18,000	25,000	31,347	6,347
Total Fines and Penalties	<u>91,000</u>	<u>105,000</u>	<u>110,846</u>	<u>5,846</u>

(Continued)

**CITY OF AGOURA HILLS, CALIFORNIA**  
**General Fund**  
**Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Investment income	\$ 200,000	\$ 120,000	\$ 205,797	\$ 85,797
Rental income	81,800	81,800	80,845	(955)
Other revenues	100,200	120,200	101,290	(18,910)
Total Revenues	<u>11,866,685</u>	<u>11,189,080</u>	<u>11,083,868</u>	<u>(22,013)</u>
<b>EXPENDITURES</b>				
General government:				
City council	119,390	107,140	106,188	952
City manager	709,036	706,186	706,013	173
City clerk	264,927	217,137	209,609	7,528
City attorney	241,000	524,735	524,735	-
Finance	406,132	412,084	412,082	2
Public facilities	253,000	245,773	248,925	(3,152)
Nondepartmental	930,410	921,385	921,342	43
Automated office systems	167,800	206,228	173,254	32,974
Total General Government	<u>3,091,695</u>	<u>3,340,668</u>	<u>3,302,148</u>	<u>38,520</u>
Public safety:				
L.A. County Sheriff	3,516,193	3,358,255	3,358,180	75
Disaster response team	35,505	23,965	21,047	2,918
Building and safety	448,815	438,843	436,895	1,948
Animal control	20,000	32,800	32,798	2
Total Public Safety	<u>4,020,513</u>	<u>3,853,863</u>	<u>3,848,920</u>	<u>4,943</u>
Community development:				
Planning and administration	825,657	855,722	855,722	-
Total Community Development	<u>825,657</u>	<u>855,722</u>	<u>855,722</u>	<u>-</u>
Community services:				
Recreation	554,400	479,745	476,733	3,012
Reyes Adobe	22,900	22,900	22,313	587
Community services administration	1,164,904	1,184,937	1,184,592	345
Total Community Services	<u>1,742,204</u>	<u>1,687,582</u>	<u>1,683,638</u>	<u>3,944</u>

(Continued)

**CITY OF AGOURA HILLS, CALIFORNIA**  
**General Fund**  
**Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public works:				
Administration	\$ 916,693	\$ 761,589	\$ 761,539	\$ 50
Street maintenance	10,000	-	-	-
Landscape maintenance	256,200	217,489	217,459	30
Drain and flood maintenance	522,855	184,400	184,377	23
Transportation	-	7,247	7,247	-
Total Public Works	<u>1,705,748</u>	<u>1,170,725</u>	<u>1,170,622</u>	<u>103</u>
Capital outlay	<u>50,000</u>	<u>630,000</u>	<u>629,999</u>	<u>1</u>
Total Expenditures	<u>11,435,817</u>	<u>11,538,559</u>	<u>11,491,049</u>	<u>47,510</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>430,868</u>	<u>(349,479)</u>	<u>(407,181)</u>	<u>(69,523)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,871,902	3,871,902	-
Transfers out	<u>(2,172,000)</u>	<u>(2,215,726)</u>	<u>(2,213,557)</u>	<u>2,169</u>
Total Other Financing Sources (Uses)	<u>(2,172,000)</u>	<u>1,656,176</u>	<u>1,658,345</u>	<u>2,169</u>
Net Change in Fund Balance	<u>(1,741,132)</u>	<u>1,306,697</u>	<u>1,251,164</u>	<u>(67,354)</u>
Fund Balance, Beginning of Year	<u>9,094,900</u>	<u>9,094,900</u>	<u>9,094,900</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 7,353,768</u>	<u>\$ 10,401,597</u>	<u>\$ 10,346,064</u>	<u>\$ (55,533)</u>

See accompanying Note to the Required Supplementary Information.

CITY OF



AGGURA HILLS

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Note to Required Supplementary Information**  
**June 30, 2010**

NOTE 1- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

***Budgetary Data***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The City is required to adopt an annual budget resolution for the General Fund, Special Revenue Funds, Redevelopment Capital Projects Fund and Debt Service Funds. All annual appropriations either lapse at year end or are carried forward at City Manager's discretion.

The budget is prepared by fund, function and activity, and includes actual information for the past year, current year estimates and requested appropriations for the next fiscal year. The budget is a statement of the goals and objectives of the City for that fiscal year. The budget provides management control at the functional departmental level. The City Manager may authorize the transfer of funds within the same department. Responsible individuals review progress against their budget each month. The City Council considers supplemental budget amendment requests during the year and reviews changes at mid-year and year end.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Schedule of Funding Progress – Other Post-Retirement Health Care Benefits**

**June 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Status	Annual Covered Payroll	UAAL As a % of Covered Payroll
6/30/2010	\$ 119,818	\$ 1,298,387	\$ 1,178,569	9.2%	\$ 2,914,000	40.4%
6/30/2008	\$ -	\$ 1,298,000	\$ 1,298,000	0%	\$ 2,722,000	47.7%

## **SUPPLEMENTARY SCHEDULES**

CITY OF



AGGURA HILLS



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Redevelopment Debt Service fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 5,200,000	\$ 5,653,281	\$ 5,301,704	\$ (351,577)
Investment income	10,000	25,000	55,360	30,360
Total Revenues	<u>5,210,000</u>	<u>5,678,281</u>	<u>5,357,064</u>	<u>(321,217)</u>
<b>EXPENDITURES</b>				
Current:				
Pass through to other agencies	3,580,419	3,815,871	3,677,954	137,917
Debt service:				
Principal	179,000	190,000	190,000	-
Interest and fiscal charges	901,527	901,527	901,527	-
Total Expenditures	<u>4,660,946</u>	<u>4,907,398</u>	<u>4,769,481</u>	<u>137,917</u>
Excess (deficiency) of revenues over (under) expenditures	<u>549,054</u>	<u>770,883</u>	<u>587,583</u>	<u>(183,300)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,091,526	1,091,526	1,068,350	(23,176)
Transfers out	(1,616,000)	(1,837,410)	(1,683,649)	153,761
Total Other Financing Sources (Uses)	<u>(524,474)</u>	<u>(745,884)</u>	<u>(615,299)</u>	<u>130,585</u>
Net Change in Fund Balance	24,580	24,999	(27,716)	(52,715)
Fund Balance, Beginning of Year	880,587	880,587	880,587	-
Fund Balance, End of Year	<u>\$ 905,167</u>	<u>\$ 905,586</u>	<u>\$ 852,871</u>	<u>\$ (52,715)</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Redevelopment Set-Aside Capital Projects Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 200,000	\$ 150,000	\$ 172,022	\$ 22,022
Total Revenues	<u>200,000</u>	<u>150,000</u>	<u>172,022</u>	<u>22,022</u>
<b>EXPENDITURES</b>				
Current:				
General government	433,623	436,566	433,639	2,927
Community development	533,791	743,791	549,892	193,899
Public works	16,081	16,081	15,811	270
Total Expenditures	<u>983,495</u>	<u>1,196,438</u>	<u>999,342</u>	<u>197,096</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(783,495)</u>	<u>(1,046,438)</u>	<u>(827,320)</u>	<u>219,118</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,036,000	1,130,656	1,060,341	(70,315)
Transfers out	(612,830)	(612,830)	(593,539)	19,291
Total Other Financing Sources (Uses)	<u>423,170</u>	<u>517,826</u>	<u>466,802</u>	<u>(51,024)</u>
Net Change in Fund Balance	(360,325)	(528,612)	(360,518)	168,094
Fund Balance, Beginning of Year, as restated	<u>12,919,531</u>	<u>12,919,531</u>	<u>12,919,531</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 12,559,206</u>	<u>\$ 12,390,919</u>	<u>\$ 12,559,013</u>	<u>\$ 168,094</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Redevelopment Capital Projects Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 50,000	\$ 20,000	16,779	\$ (3,221)
Total Revenues	<u>50,000</u>	<u>20,000</u>	<u>16,779</u>	<u>(3,221)</u>
<b>EXPENDITURES</b>				
Current:				
General government	321,800	1,083,220	1,020,228	62,992
Community development	296,774	316,074	354,527	(38,453)
Public works	56,514	56,484	56,233	251
Total Expenditures	<u>675,088</u>	<u>1,455,778</u>	<u>1,430,988</u>	<u>24,790</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(625,088)</u>	<u>(1,435,778)</u>	<u>(1,414,209)</u>	<u>21,569</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	580,000	1,963,607	1,880,162	(83,445)
Transfers out	(478,696)	(478,696)	(474,811)	3,885
Total Other Financing Sources (Uses)	<u>101,304</u>	<u>1,484,911</u>	<u>1,405,351</u>	<u>(79,560)</u>
Net Change in Fund Balance	(523,784)	49,133	(8,858)	(57,991)
Fund Balance, Beginning of Year	<u>6,306,141</u>	<u>6,306,141</u>	<u>6,306,141</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,782,357</u>	<u>\$ 6,355,274</u>	<u>\$ 6,297,283</u>	<u>\$ (57,991)</u>

## DESCRIPTION OF NON MAJOR GOVERNMENTAL FUNDS

### Nonmajor Special Revenue Funds

**Traffic Improvement** – To account for traffic improvement and arterial street system fees paid by developers which may only be used for constructing traffic impacted arterial streets.

**Traffic Safety** - To account of traffic fines which may only be used for traffic safety purposes.

**Transit Tax** - To account for Proposition A funds received from the County of Los Angeles which may only be used to provide transportation services.

**Public Transit** - To account for Proposition C funds received from the County of Los Angeles which may only be used to provide transportation services.

**Air Quality Management** - To account for funds received from the South Coast Air Quality Management District which may only be used for air quality improvement.

**Supplemental Law Enforcement** - To account for Brulte funds received from the state for the use of Public Safety (COPS) programs.

**Solid Waste Management** - To account for the funds relating to collection, transportation and recycling of refuse materials for City residents and businesses.

**Traffic Congestion Relief** - To account for funds allocated to the City by the State (AB2928) which may only be used for street road maintenance or reconstruction. Cities are required to maintain their existing commitment of general funds for streets or road works.

**State Gas Tax** - To account for funds allocated to the City by the State which may only be used for street maintenance, construction, right of way acquisition and/or reconstruction.

**Measure R** - To account for public transit tax received under Measure R. These funds are paid by the County of Los Angeles.

**Other Grants** - To account for various state grant funds received for street improvements and park development.

**Community Development Block Grant** - To account for federal Housing and Community Development Act funds received through the County of Los Angeles Community Development Commission.

### Nonmajor Debt Service Fund

**Debt Service** - To account for the accumulation of resources for payment of interest and principal on long-term liabilities.

## DESCRIPTION OF NON MAJOR GOVERNMENTAL FUNDS

### Nonmajor Capital Projects Funds

**Recreation Center** - To account for the funds to be used for the development or maintenance of the City's recreation center.

**Inclusionary Housing In Lieu** - To account for in lieu fees to be used for the development or maintenance of housing affordable to low to moderate income households.

**Financing Authority Capital Projects** - To account for bond money expenditures specifically for the Reyes Adobe Interchange project.

**Storm Water Capital Projects** - To account for the funds to be used for the development or maintenance of the City's storm water program.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2010**

	Special Revenue Funds				
	Traffic Improvement	Traffic Safety	Transit Tax	Public Transit	Air Quality Management
<b>ASSETS</b>					
Cash and investments	\$ 3,260,578	\$ 5,765	\$ 738,708	\$ 1,075,532	\$ 28,482
Receivables:					
Accounts	156,264	-	-	-	-
Interest	11,719	50	2,149	3,271	71
Deferred loans	-	-	-	-	-
Due from other governments		12,480	39,507	-	7,096
Total Assets	<u>\$ 3,428,561</u>	<u>\$ 18,295</u>	<u>\$ 780,364</u>	<u>\$ 1,078,803</u>	<u>\$ 35,649</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenditures	\$ 308,741	\$ 4,161	\$ 71,186	\$ 93,570	\$ -
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total Liabilities	<u>308,741</u>	<u>4,161</u>	<u>71,186</u>	<u>93,570</u>	<u>-</u>
<b>FUND BALANCES</b>					
Reserved:					
Inclusionary housing in lieu	-	-	-	-	-
Reyes Adobe interchange project	-	-	-	-	-
Total Reserved Fund Balance	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	3,119,820	14,134	709,178	985,233	35,649
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total Fund Balances	<u>3,119,820</u>	<u>14,134</u>	<u>709,178</u>	<u>985,233</u>	<u>35,649</u>
Total Liabilities and Fund Balances	<u>\$ 3,428,561</u>	<u>\$ 18,295</u>	<u>\$ 780,364</u>	<u>\$ 1,078,803</u>	<u>\$ 35,649</u>

Special Revenue Funds							Debt Service
Supplemental Law Enforcement	Solid Waste Management	Traffic Congestion Relief	State Gas Tax	Measure R	Other Grants	Community Development Block Grant	Financing Authority Debt Service
\$ 9,639	\$ 167,835	\$ -	\$ 86,988	\$ 8,033	\$ 105,973	\$ -	\$ 2,939
-	17,508	-	-	-	30,128	-	-
33	496	-	380	-	105	-	9
-	-	-	-	-	-	446,385	-
7,548	-	58,568	37,813	-	91,808	-	-
<u>\$ 17,220</u>	<u>\$ 185,839</u>	<u>\$ 58,568</u>	<u>\$ 125,181</u>	<u>\$ 8,033</u>	<u>\$ 228,014</u>	<u>\$ 446,385</u>	<u>\$ 2,948</u>
\$ 8,052	\$ -	\$ -	\$ 34,945	\$ -	\$ 155,478	\$ -	\$ -
-	-	57,988	-	-	-	-	-
-	-	-	19,497	-	133,059	446,385	-
<u>8,052</u>	<u>-</u>	<u>57,988</u>	<u>54,442</u>	<u>-</u>	<u>288,537</u>	<u>446,385</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,168	185,839	580	70,739	8,033	(60,523)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,948
<u>9,168</u>	<u>185,839</u>	<u>580</u>	<u>70,739</u>	<u>8,033</u>	<u>(60,523)</u>	<u>-</u>	<u>2,948</u>
<u>\$ 17,220</u>	<u>\$ 185,839</u>	<u>\$ 58,568</u>	<u>\$ 125,181</u>	<u>\$ 8,033</u>	<u>\$ 228,014</u>	<u>\$ 446,385</u>	<u>\$ 2,948</u>

CITY OF



AGGURA HILLS



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2010**

	Capital Projects				Total Nonmajor Governmental Funds
	Recreation Center	Inclusionary Housing In Lieu	Financing Authority Capital Projects	Storm Water Capital Projects	
<b>ASSETS</b>					
Cash and investments	\$ 4,803,871	\$ 2,406,058	\$ 1,557,389	\$ 97,926	\$ 14,355,716
Receivables:					
Accounts	-	-	-	-	203,900
Interest	2,265	7,127	1	255	27,931
Deferred loans					446,385
Due from other governments	-	-	-	-	254,820
<b>Total Assets</b>	<b>\$ 4,806,136</b>	<b>\$ 2,413,185</b>	<b>\$ 1,557,390</b>	<b>\$ 98,181</b>	<b>\$ 15,288,752</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ 3,877	\$ 680,010
Due to other funds	-	-	-	-	57,988
Deferred revenue	-	-	-	-	598,941
<b>Total Liabilities</b>	-	-	-	3,877	1,336,939
<b>FUND BALANCES</b>					
Reserved:					
Inclusionary housing in lieu	-	2,413,185	-	-	2,413,185
Reyes Adobe interchange project	-	-	1,557,390	-	1,557,390
<b>Total Reserved Fund Balance</b>	-	2,413,185	1,557,390	-	3,970,575
Unreserved, reported in:					
Special revenue funds	-	-	-	-	5,077,850
Capital projects funds	4,806,136	-	-	94,304	4,900,440
Debt service funds	-	-	-	-	2,948
<b>Total Fund Balances</b>	4,806,136	2,413,185	1,557,390	94,304	13,951,813
<b>Total Liabilities and     Fund Balances</b>	<b>\$ 4,806,136</b>	<b>\$ 2,413,185</b>	<b>\$ 1,557,390</b>	<b>\$ 98,181</b>	<b>\$ 15,288,752</b>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2010**

	Special Revenue Funds					
	Traffic Improvement	Traffic Safety	Transit Tax	Public Transit	Air Quality Management	Supplemental Law Enforcement
<b>REVENUES:</b>						
Intergovernmental	\$ -	\$ -	\$ 395,103	\$ 246,299	\$ 27,120	\$ 123,742
Charges for services	312,804	-	49,363	-	-	-
Fines and penalties	-	163,298	-	-	-	-
Investment income	45,049	397	7,471	10,373	213	79
Other revenues	58,296	-	-	-	-	-
Total Revenues	<u>416,149</u>	<u>163,695</u>	<u>451,937</u>	<u>256,672</u>	<u>27,333</u>	<u>123,821</u>
<b>EXPENDITURES:</b>						
Current:						
General government	-	-	-	-	1,200	-
Public safety	-	58,540	-	-	-	100,045
Community services	-	-	219,519	-	-	-
Public works	-	170,443	423,907	39,198	-	-
Capital outlay	1,117,853	-	-	174,954	25,000	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal changes	-	-	-	-	-	-
Total Expenditures	<u>1,117,853</u>	<u>228,983</u>	<u>643,426</u>	<u>214,152</u>	<u>26,200</u>	<u>100,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(701,704)</u>	<u>(65,288)</u>	<u>(191,489)</u>	<u>42,520</u>	<u>1,133</u>	<u>23,776</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	47,243	-	-	-	-	-
Transfers out	(1,680,377)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(1,633,134)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(2,334,838)</u>	<u>(65,288)</u>	<u>(191,489)</u>	<u>42,520</u>	<u>1,133</u>	<u>23,776</u>
Fund Balances at Beginning of Year	<u>5,454,658</u>	<u>79,422</u>	<u>900,667</u>	<u>942,713</u>	<u>34,516</u>	<u>(14,608)</u>
Fund Balances at End of Year	<u>\$ 3,119,820</u>	<u>\$ 14,134</u>	<u>\$ 709,178</u>	<u>\$ 985,233</u>	<u>\$ 35,649</u>	<u>\$ 9,168</u>

Special Revenue Funds						Debt Service
Solid Waste Management	Traffic Congestion Relief	State Gas Tax	Measure R	Other Grants	Community Development Block Grant	Financing Authority Debt Service
\$ -	\$ 211,164	\$ -	\$ 148,193	\$ 1,140,343	\$ -	\$ -
69,353	-	361,614	-	-	-	-
-	-	-	-	-	-	-
1,779	588	1,671	-	257	-	53
3,354	-	-	-	-	-	-
74,486	211,752	363,285	148,193	1,140,600	-	53
-	-	-	-	72,379	-	6,063
-	-	-	-	59,964	-	-
81,346	-	-	-	187,817	-	-
-	-	249,235	-	-	-	-
-	535,058	323,878	140,160	21,135	-	-
-	-	-	-	-	-	175,000
-	-	-	-	-	-	494,831
81,346	535,058	573,113	140,160	341,295	-	675,894
(6,860)	(323,306)	(209,828)	8,033	799,305	-	(675,841)
-	-	-	-	-	-	669,831
-	-	-	-	(3,060,901)	-	-
-	-	-	-	(3,060,901)	-	669,831
(6,860)	(323,306)	(209,828)	8,033	(2,261,596)	-	(6,010)
192,699	323,886	280,567	-	2,201,073	-	8,958
\$ 185,839	\$ 580	\$ 70,739	\$ 8,033	\$ (60,523)	\$ -	\$ 2,948

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds (Continued)**  
**For the Year Ended June 30, 2010**

	Capital Projects				Total Nonmajor Governmental Funds
	Recreation Center	Inclusionary Housing In Lieu	Financing Authority Capital Projects	Storm Water Capital Projects	
<b>REVENUES:</b>					
Intergovernmental	\$ -	\$ 261,852	\$ -	\$ -	\$ 2,553,816
Charges for services	-	-	-	-	793,134
Fines and penalties	-	-	-	-	163,298
Investment income	32,566	22,546	13,966	816	137,824
Other revenues	-	-	190	-	61,840
Total Revenues	<u>32,566</u>	<u>284,398</u>	<u>14,156</u>	<u>816</u>	<u>3,709,912</u>
<b>EXPENDITURES:</b>					
Current:					
General government	6,645	-	-	-	86,287
Public safety	-	-	-	-	218,549
Community services	-	-	-	-	488,682
Public works	-	-	-	3,738	886,521
Capital outlay	-	-	-	-	2,338,038
Debt service:					
Principal	-	-	-	-	175,000
Interest and fiscal changes	-	-	-	-	494,831
Total Expenditures	<u>6,645</u>	<u>-</u>	<u>-</u>	<u>3,738</u>	<u>4,687,908</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>25,921</u>	<u>284,398</u>	<u>14,156</u>	<u>(2,922)</u>	<u>(977,996)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,500,000	-	-	43,726	2,260,800
Transfers out	-	-	(1,115,098)	-	(5,856,376)
Total Other Financing Sources (Uses)	<u>1,500,000</u>	<u>-</u>	<u>(1,115,098)</u>	<u>43,726</u>	<u>(3,595,576)</u>
Net Change in Fund Balances	<u>1,525,921</u>	<u>284,398</u>	<u>(1,100,942)</u>	<u>40,804</u>	<u>(4,573,572)</u>
Fund Balances at Beginning of Year	<u>3,280,215</u>	<u>2,128,787</u>	<u>2,658,332</u>	<u>53,500</u>	<u>18,525,385</u>
Fund Balances at End of Year	<u>\$ 4,806,136</u>	<u>\$ 2,413,185</u>	<u>\$ 1,557,390</u>	<u>\$ 94,304</u>	<u>\$ 13,951,813</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Nonmajor Traffic Improvement Special Revenue**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 105,000	\$ 307,600	\$ 312,804	\$ 5,204
Investment income	150,000	60,900	45,049	(15,851)
Other revenues	-	59,000	58,296	(704)
Total Revenues	<u>255,000</u>	<u>427,500</u>	<u>416,149</u>	<u>(11,351)</u>
<b>EXPENDITURES</b>				
Capital outlay	6,244,000	1,184,000	1,117,853	66,147
Total Expenditures	<u>6,244,000</u>	<u>1,184,000</u>	<u>1,117,853</u>	<u>66,147</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,989,000)</u>	<u>(756,500)</u>	<u>(701,704)</u>	<u>54,796</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,600,000	47,243	47,243	-
Transfers out	-	(4,300,870)	(1,680,377)	2,620,493
Total Other Financing Sources (Uses)	<u>2,600,000</u>	<u>(4,253,627)</u>	<u>(1,633,134)</u>	<u>2,620,493</u>
Net Change in Fund Balance	<u>(3,389,000)</u>	<u>(5,010,127)</u>	<u>(2,334,838)</u>	<u>2,675,289</u>
Fund Balance, Beginning of Year	5,454,658	5,454,658	5,454,658	-
Fund Balance, End of Year	<u>\$ 2,065,658</u>	<u>\$ 444,531</u>	<u>\$ 3,119,820</u>	<u>\$ 2,675,289</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Nonmajor Traffic Safety Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and penalties	\$ 140,000	\$ 150,000	\$ 163,298	\$ 13,298
Investment income	10,000	1,100	397	(703)
Total Revenues	<u>150,000</u>	<u>151,100</u>	<u>163,695</u>	<u>12,595</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	67,000	59,000	58,540	460
Public works	160,000	170,450	170,443	7
Total Expenditures	<u>227,000</u>	<u>229,450</u>	<u>228,983</u>	<u>467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(77,000)</u>	<u>(78,350)</u>	<u>(65,288)</u>	<u>13,062</u>
Net Change in Fund Balance	(77,000)	(78,350)	(65,288)	13,062
Fund Balance, Beginning of Year	<u>79,422</u>	<u>79,422</u>	<u>79,422</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,422</u>	<u>\$ 1,072</u>	<u>\$ 14,134</u>	<u>\$ 13,062</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Nonmajor Transit Tax Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 478,638	\$ 411,390	\$ 395,103	\$ (16,287)
Charges for service	30,000	46,087	49,363	3,276
Investment income	30,000	9,500	7,471	(2,029)
Total Revenues	<u>538,638</u>	<u>466,977</u>	<u>451,937</u>	<u>(15,040)</u>
<b>EXPENDITURES</b>				
Current:				
Community services	264,361	234,921	219,519	15,402
Public works	422,068	429,816	423,907	5,909
Total Expenditures	<u>686,429</u>	<u>664,737</u>	<u>643,426</u>	<u>21,311</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(147,791)</u>	<u>(197,760)</u>	<u>(191,489)</u>	<u>6,271</u>
Net Change in Fund Balance	(147,791)	(197,760)	(191,489)	6,271
Fund Balance, Beginning of Year	900,667	900,667	900,667	-
Fund Balance, End of Year	<u>\$ 752,876</u>	<u>\$ 702,907</u>	<u>\$ 709,178</u>	<u>\$ 6,271</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Nonmajor Public Transit Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 309,819	\$ 269,239	\$ 246,299	\$ (22,940)
Investment income	22,000	10,400	10,373	(27)
Total Revenues	<u>331,819</u>	<u>279,639</u>	<u>256,672</u>	<u>(22,967)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	53,106	39,199	39,198	1
Capital outlay	270,000	185,232	174,954	10,278
Total Expenditures	<u>323,106</u>	<u>224,431</u>	<u>214,152</u>	<u>10,279</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,713</u>	<u>55,208</u>	<u>42,520</u>	<u>(12,688)</u>
Net Change in Fund Balance	<u>8,713</u>	<u>55,208</u>	<u>42,520</u>	<u>(33,246)</u>
Fund Balance, Beginning of Year	<u>942,713</u>	<u>942,713</u>	<u>942,713</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 951,426</u>	<u>\$ 997,921</u>	<u>\$ 985,233</u>	<u>\$ (12,688)</u>



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Nonmajor Air Quality Management Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 26,700	\$ 26,700	\$ 27,120	\$ 420
Investment income	500	250	213	(37)
Total Revenues	<u>27,200</u>	<u>26,950</u>	<u>27,333</u>	<u>383</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,200	1,200	1,200	-
Capital outlay	28,000	25,000	25,000	-
Total Expenditures	<u>29,200</u>	<u>26,200</u>	<u>26,200</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,000)</u>	<u>750</u>	<u>1,133</u>	<u>383</u>
Net Change in Fund Balance	(2,000)	750	1,133	383
Fund Balance, Beginning of Year	34,516	34,516	34,516	-
Fund Balance, End of Year	<u>\$ 32,516</u>	<u>\$ 35,266</u>	<u>\$ 35,649</u>	<u>\$ 383</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Nonmajor Supplemental Law Enforcement Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 123,742	\$ 23,742
Investment income	500	167	79	(88)
Total Revenues	<u>100,500</u>	<u>100,167</u>	<u>123,821</u>	<u>23,654</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	100,251	100,251	100,045	206
Total Expenditures	<u>100,251</u>	<u>100,251</u>	<u>100,045</u>	<u>206</u>
Excess (deficiency) of revenues over (under) expenditures	<u>249</u>	<u>(84)</u>	<u>23,776</u>	<u>23,860</u>
Net Change in Fund Balance	249	(84)	23,776	23,860
Fund Balance, Beginning of Year	<u>(14,608)</u>	<u>(14,608)</u>	<u>(14,608)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (14,359)</u>	<u>\$ (14,692)</u>	<u>\$ 9,168</u>	<u>\$ 23,860</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Nonmajor Solid Waste Management Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 81,000	\$ 69,542	\$ 69,353	\$ (189)
Investment income	6,000	2,000	1,779	(221)
Other revenues	2,750	3,354	3,354	-
Total Revenues	89,750	74,896	74,486	(410)
<b>EXPENDITURES</b>				
Current:				
Community services	81,947	83,617	81,346	2,271
Total Expenditures	81,947	83,617	81,346	2,271
Excess (deficiency) of revenues over (under) expenditures	7,803	(8,721)	(6,860)	1,861
Net Change in Fund Balance	7,803	(8,721)	(6,860)	(2,681)
Fund Balance, Beginning of Year	192,699	192,699	192,699	-
Fund Balance, End of Year	\$ 200,502	\$ 183,978	\$ 185,839	\$ 1,861

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Nonmajor Traffic Congestion Relief Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 220,740	\$ 210,154	\$ 211,164	\$ 1,010
Investment income	1,000	1,000	588	(412)
<b>Total Revenues</b>	<b>221,740</b>	<b>211,154</b>	<b>211,752</b>	<b>598</b>
<b>EXPENDITURES</b>				
Capital outlay	221,877	535,059	535,058	1
<b>Total Expenditures</b>	<b>221,877</b>	<b>535,059</b>	<b>535,058</b>	<b>1</b>
Excess (deficiency) of revenues over (under) expenditures	(137)	(323,905)	(323,306)	599
<b>Net Change in Fund Balance</b>	<b>(137)</b>	<b>(323,905)</b>	<b>(323,306)</b>	<b>599</b>
Fund Balance, Beginning of Year	323,886	323,886	323,886	-
Fund Balance, End of Year	<b>\$ 323,749</b>	<b>\$ (19)</b>	<b>\$ 580</b>	<b>\$ 599</b>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Nonmajor State Gas Tax Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 408,000	\$ 369,000	\$ 361,614	\$ (7,386)
Investment income	2,000	2,400	1,671	(729)
Total Revenues	<u>410,000</u>	<u>371,400</u>	<u>363,285</u>	<u>(8,115)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	217,500	253,721	249,235	4,486
Capital outlay	283,700	347,000	323,878	23,122
Total Expenditures	<u>501,200</u>	<u>600,721</u>	<u>573,113</u>	<u>27,608</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(91,200)</u>	<u>(229,321)</u>	<u>(209,828)</u>	<u>19,493</u>
Net Change in Fund Balance	(91,200)	(229,321)	(209,828)	19,493
Fund Balance, Beginning of Year	280,567	280,567	280,567	-
Fund Balance, End of Year	<u>\$ 189,367</u>	<u>\$ 51,246</u>	<u>\$ 70,739</u>	<u>\$ 19,493</u>

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Nonmajor Measure R Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 120,187	\$ 140,187	\$ 148,193	\$ 8,006
Total Revenues	120,187	140,187	148,193	8,006
<b>EXPENDITURES</b>				
Capital outlay	120,160	140,160	140,160	-
Total Expenditures	120,160	140,160	140,160	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	27	27	8,033	8,006
Net Change in Fund Balance	27	27	8,033	8,006
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ 27	\$ 27	\$ 8,033	\$ 8,006

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Nonmajor Other Grants Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 4,987,040	\$ 364,373	\$ 1,140,343	\$ 775,970
Investment income	-	-	257	257
Total Revenues	4,987,040	364,373	1,140,600	776,227
<b>EXPENDITURES</b>				
Current:				
General government	77,100	77,034	72,379	4,655
Public safety	19,540	56,540	59,964	(3,424)
Community services	140,000	187,817	187,817	-
Capital outlay	4,744,000	22,000	21,135	865
Total Expenditures	4,980,640	343,391	341,295	2,096
Excess (deficiency) of revenues over (under) expenditures	6,400	20,982	799,305	774,131
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(3,060,900)	(3,060,901)	1
Total Other Financing Sources (Uses)	-	(3,060,900)	(3,060,901)	1
Net Change in Fund Balance	6,400	(3,039,918)	(2,261,596)	774,132
Fund Balance, Beginning of Year	2,201,073	2,201,073	2,201,073	-
Fund Balance, End of Year	\$ 2,207,473	\$ (838,845)	\$ (60,523)	\$ 774,132

CITY OF



AGGURA HILLS



## **FIDUCIARY FUND**

**Agency Fund** – To account for assets held by the City in a trustee capacity or as an agent on behalf of others.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**For the Year Ended June 30, 2010**

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
<b>ASSETS</b>				
Cash and investments	\$ 1,185,810	\$ 877,719	\$ (1,026,575)	\$ 1,036,954
Accounts receivable	-	90,822	(55,592)	35,230
Due from other governments	-	105,611	(31,140)	74,471
Total Assets	<u>\$ 1,185,810</u>	<u>\$ 1,074,152</u>	<u>\$ (1,113,307)</u>	<u>\$ 1,146,655</u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$ 1,185,810</u>	<u>\$ 1,868,644</u>	<u>\$ (1,907,799)</u>	<u>\$ 1,146,655</u>

## **STATISTICAL SECTION**

CITY OF



AGGURA HILLS

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Statistical Section (Unaudited)**  
**For the Year Ended June 30, 2010**

This part of the City of Agoura Hill's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b>Page(s)</b>
<b>Financial Trends</b>	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	<b>79</b>
<b>Revenue Capacity</b>	
<i>These schedules contain trend information to help the reader assess the government's most significant current local revenue source, the property tax.</i>	<b>84</b>
<b>Debt Capacity</b>	
<i>These schedules contain present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	<b>91</b>
<b>Demographic and Economic Information</b>	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	<b>95</b>
<b>Operating Information</b>	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	<b>98</b>

Unless otherwise noted, the information in these schedules is derived Comprehensive Annual Financial Reports for the relevant year. The City implemented Statement 34 in 2003; however, the City implemented Statement 44 in 2006. Schedules presenting government-wide information include information beginning in that year.

**CITY OF AGOURA HILLS, CALIFORNIA**

**Net Assets by Component**

**Last Five Fiscal Years**

*(accrual basis of accounting)*

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	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental activities					
Invested in capital assets, net of related debt	\$ 39,154,947	\$ 46,162,983	\$ 48,276,081 *	\$ 49,983,660	\$57,211,864
Restricted	11,384,644	8,427,779	23,887,822	26,521,423	12,056,277
Unrestricted	19,552,713	24,640,773	10,795,825	9,262,568	16,091,249
Total primary government net assets-restated	<u>\$ 70,092,304</u>	<u>\$ 79,231,535</u>	<u>\$ 82,959,728</u>	<u>\$ 85,767,651</u>	<u>\$85,359,390</u>

\*See note 4(i)-The beginning net assets of July 1, 2008 have been restated due to an error in recording of capital assets. The City adjusted the beginning building and improvements account to include the community center building.

**CITY OF AGOURA HILLS, CALIFORNIA**

**Changes in Net Assets**

**Last Five Fiscal Years**

*(accrual basis of accounting)*

	Fiscal Year				
	2006	2007	2008	2009	2010
<b>Expenses</b>					
Governmental activities					
General government	\$ 3,110,794	\$ 2,955,695	\$ 2,930,987	\$ 3,054,767	\$ 3,797,117
Public safety	2,719,899	2,917,439	3,456,845	4,186,728	4,069,389
Public works	3,291,807	2,797,710	4,717,054	4,129,327	5,557,145
Community development	3,605,839	1,424,676	1,549,091	1,899,937	1,821,939
Pass through to other agencies	2,528,528	2,721,575	3,436,430	3,805,788	3,677,954
Community services	1,815,186	1,348,155	1,590,653	1,992,453	2,223,534
Interest on long-term debt (unallocated)	463,903	245,668	2,530,675	1,486,082	1,407,800
Total primary government expenses	<u>\$ 17,535,956</u>	<u>\$ 14,410,918</u>	<u>\$ 20,211,735</u>	<u>\$ 20,555,082</u>	<u>\$ 22,554,878</u>
<b>Program Revenues</b>					
Governmental activities					
Charges for Services					
General government	\$ 16,009	\$ 5,465	\$ -	\$ 155,154	\$ 63,389
Public safety	315,266	221,310	224,473	575,792	751,293
Public works	1,582,580	1,650,150	1,047,910	162,319	119,493
Community development	-	-	-	182,152	78,863
Community services	342,090	331,778	327,249	286,443	244,876
Operating grants and contributions	5,121,839	4,495,414	4,884,543	1,894,247	2,256,379
Capital grants and contributions	128,782	1,189,144	-	3,555,911	3,102,464
Total primary government program revenues	<u>\$ 7,506,566</u>	<u>\$ 7,893,261</u>	<u>\$ 6,484,175</u>	<u>\$ 6,812,018</u>	<u>\$ 6,616,757</u>
<b>Net (Expense)/Revenue</b>					
Total primary government net expense	<u>\$ (10,029,390)</u>	<u>\$ (6,981,808)</u>	<u>\$ (14,439,436)</u>	<u>\$ (14,233,778)</u>	<u>\$ (15,938,121)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes	\$ 11,598,025	\$ 14,159,127	\$ 15,682,063	\$ 15,534,187	\$ 14,617,232
Intergovernmental revenues	1,709,143	145,874	218,813	84,860	68,491
Investment earnings	1,159,494	1,487,500	1,284,265	1,038,661	628,622
Other revenues	268,863	328,538	572,992	383,994	253,837
Total primary government	<u>\$ 14,735,525</u>	<u>\$ 16,121,039</u>	<u>\$ 17,758,133</u>	<u>\$ 17,041,702</u>	<u>\$ 15,568,182</u>
<b>Change in Net Assets</b>					
Total primary government	<u>\$ 4,706,135</u>	<u>\$ 9,139,231</u>	<u>\$ 3,318,697</u>	<u>\$ 2,807,924</u>	<u>\$ (369,939)</u>

Source: City of Agoura Hills financial data.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Program Revenues by Function/Program**  
**Last Five Fiscal Years**  
*(accrual basis of accounting)*

<b>Function/Program</b>	<b>Fiscal Year</b>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Governmental activities					
General government	\$ 16,009	\$ 285,465	\$ 4,738	\$ 761,277	\$ 282,768
Public safety	501,727	351,260	337,573	680,227	931,494
Public works	3,578,328	4,491,664	2,558,996	3,904,182	4,554,613
Community development	256,661	34,729	2,040,266	182,152	415,188
Transportation	2,811,751	2,398,365	1,215,353	778,816 *	
Community services	342,090	331,778	327,249	505,364	432,694
Subtotal governmental activities	<u>7,506,566</u>	<u>7,893,261</u>	<u>6,484,175</u>	<u>6,812,018</u>	<u>6,616,757</u>
Total primary government	<u>\$ 7,506,566</u>	<u>\$ 7,893,261</u>	<u>\$ 6,484,175</u>	<u>\$ 6,812,018</u>	<u>\$ 6,616,757</u>

\*Amounts for transportation were reclassified to Public Works for FY09-10.



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Fund Balances, Governmental Funds**  
**Last Five Fiscal Years**  
*(accrual basis of accounting)*

---

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 180,819	\$ 71,069	\$ 93,090	\$ 134,910	\$ 132,485
Unreserved	12,359,069	12,103,349	9,837,238	8,959,990	10,213,579
Total general fund	<u>\$ 12,539,888</u>	<u>\$ 12,174,418</u>	<u>\$ 9,930,328</u>	<u>\$ 9,094,900</u>	<u>\$ 10,346,064</u>
All Other Governmental Funds					
Reserved	\$ 4,098,168	\$ 7,448,983	\$ 18,291,348	\$ 22,888,774	\$ 21,487,071
Unreserved, reported in:					
Special revenue funds	7,286,476	3,500,346	8,197,646	10,395,593	5,077,850
Capital projects funds	3,278,994	4,613,514	9,696,926	5,535,244	6,246,015
Debt service funds	324,222	104,617	9,970	8,958	2,948
Total all other governmental funds	<u>\$ 14,987,860</u>	<u>\$ 15,667,460</u>	<u>\$ 36,195,890</u>	<u>\$ 38,828,569</u>	<u>\$ 32,813,884</u>

Source: City of Agoura Hills financial data.

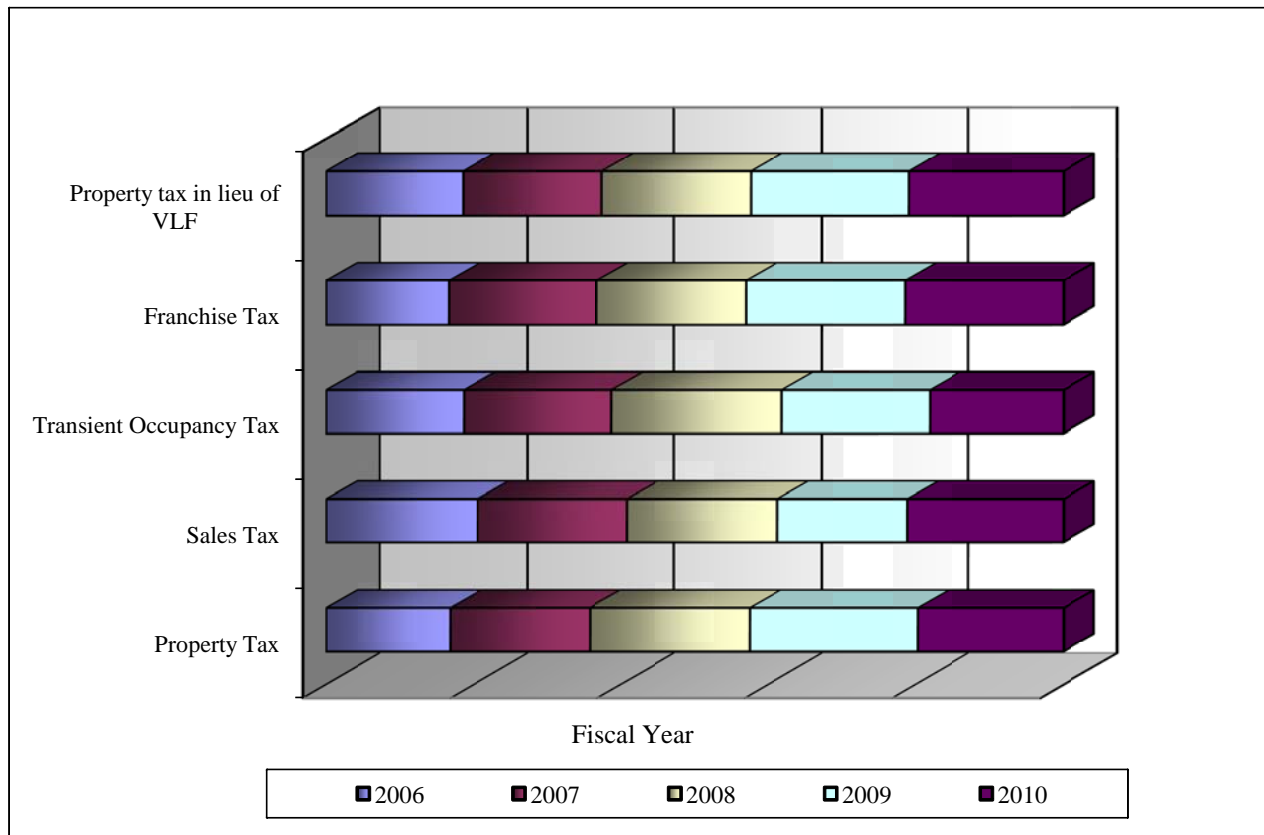
**CITY OF AGOURA HILLS, CALIFORNIA**  
**Changes in Fund Balances, Governmental Funds**  
**Last Five Fiscal Years**  
*(modified basis of accounting)*

	<b>Fiscal Year</b>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Revenues</b>					
Taxes	\$ 13,139,767	\$ 14,159,127	\$ 15,682,063	\$ 15,534,187	\$ 14,617,232
Licenses and permits	370,768	509,804	353,731	265,706	395,989
Intergovernmental revenues	3,729,532	2,924,586	4,718,608	5,540,391	2,829,479
Charges for services	1,772,383	3,143,141	1,393,074	851,052	1,391,044
Fines and forfeitures	315,266	221,310	237,572	273,040	274,144
Use of money and property	1,299,706	1,509,049	1,284,265	1,038,662	670,791
Other revenues	256,044	362,048	572,992	658,490	1,347,064
<b>Total Revenues</b>	<b>20,883,466</b>	<b>22,829,065</b>	<b>24,242,305</b>	<b>24,161,528</b>	<b>21,525,743</b>
<b>Expenditures</b>					
General government	2,608,602	2,694,762	2,948,429	2,862,969	4,861,099
Pass through to other agencies	2,528,528	2,721,575	3,411,775	3,805,788	3,677,954
Public safety	2,719,899	2,917,439	3,456,845	4,186,728	4,067,469
Community development	1,952,492	1,409,765	1,492,470	1,899,937	1,760,141
Community services	1,806,016	1,320,147	1,590,653	1,945,018	2,172,320
Public works	1,650,323	2,627,186	3,394,282	2,542,687	2,129,187
Capital outlay	10,068,857	11,097,394	3,689,451	8,021,635	5,662,811
Debt service					
Cost of issuance		331,308	873,994	-	-
Interest	463,903	226,635	439,678	1,245,976	1,396,358
Principal payments	205,000		230,000	165,000	365,000
<b>Total expenditures</b>	<b>24,003,620</b>	<b>25,346,211</b>	<b>21,527,577</b>	<b>26,675,738</b>	<b>26,092,339</b>
Excess of revenues over (under) expenditures	(3,120,154)	(2,517,146)	2,714,728	(2,514,210)	(4,566,596)
<b>Other Financing Sources (Uses)</b>					
Debt proceeds		12,060,000	15,750,000	-	-
Premium/(discount) on debt issuance		(67,013)	(180,391)	-	-
Transfer in		6,445,254	19,024,551	3,206,479	10,821,932
Transfers out		(6,445,254)	(19,024,551)	(3,206,479)	(10,821,932)
Amount transferred to escrow		(9,161,711)			
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,831,276</b>	<b>15,569,609</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (3,120,154)</b>	<b>\$ 314,130</b>	<b>\$ 18,284,337</b>	<b>\$ (2,514,210)</b>	<b>\$ (4,566,596)</b>
Debt service as a percentage of noncapital expenditures	4.8%	1.6%	3.8%	7.6%	8.6%

Source: City of Agoura Hills financial data.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Tax Revenues by Source, Governmental Funds**  
**Last Five Fiscal Years**  
*(modified basis of accounting)*

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Transient Occupancy Tax</b>	<b>Franchise Tax</b>	<b>Property tax in lieu of VLF</b>	<b>Total</b>
2006	\$ 6,493,995	\$ 2,869,040	\$ 1,643,675	\$ 591,312	\$ 1,541,745	\$ 13,139,767
2007	7,276,316	2,833,699	1,766,582	713,001	1,569,529	14,159,127
2008	8,393,008	2,858,354	2,033,069	718,194	1,679,438	15,682,063
2009	8,761,532	2,464,577	1,767,254	764,392	1,776,432	15,534,187
2010	7,586,568	2,948,718	1,590,124	757,737	1,734,085	14,617,232
Change 2006-2010	16.82%	2.78%	-3.26%	28.15%	12.48%	11.24%



Notes: Includes all governmental fund types (General, Special Revenue, Capital Projects and Debt Service Funds).

Source: City of Agoura Hills financial data.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Five Fiscal Years**  
*(in thousands of dollars)*

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<b>Fiscal Year</b>	<b>Land</b>	<b>Improvements</b>	<b>Personal Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2006	1,753,862	1,776,430	1,050	6,301	3,525,041	0.00%
2007	1,931,694	1,854,197	973	14,216	3,772,643	0.00%
2008	2,038,122	1,964,075	1,506	14,663	3,989,040	0.00%
2009	1,943,554	1,967,527	312	14,051	3,897,342	0.00%
2010	1,919,453	1,953,601	615	15,882	3,857,787	0.00%

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at a time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above. The County does not

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Direct and Overlapping Property Tax Rats**  
**Last Five Fiscal Years**

<b>Fiscal Year</b>	<b>Overlapping Rates</b>					<b>Total Tax Rates</b>
	<b>Basic County (1)</b>	<b>Los Angeles County</b>	<b>School Districts</b>	<b>Water Districts</b>	<b>Flood Control District</b>	
2006	1.0000	0.0008	0.0413	0.0052	0.0001	1.0474
2007	1.0000	0.0007	0.0495	0.0047	0.0000	1.0549
2008	1.0000	0.0000	0.0578	0.0045	0.0000	1.0623
2009	1.0000	0.0000	0.0721	0.0043	0.0000	1.0764
2010	1.0000	0.0000	0.0775	0.0043	0.0000	1.0818

Note: (1) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of school, water and flood control district bonds.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Principal Property Tax Payers**  
**Current Year and Ten Years Ago**

Taxpayer	2010			2000		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Tishman Speyer Archstone Smith Oak Creek	\$101,619,930	1	2.61%	\$21,915,130	2	0.94%
Tishman Speyer Archstone Smith Agoura Hills	43,444,338	2	1.11%			
RBD Agoura Hills LLC	34,668,134	3	0.89%			
Bank of America	32,798,273	4	0.84%			
Teredyne Inc	18,921,527	5	0.49%	72,590,771	1	3.12%
MEF Realty LLC	27,810,300	6	0.71%			
Whizin Market Square	27,258,480	7	0.70%			
Apple Seven Hospitality Ownership Inc	25,614,647	8	0.66%			
FW CA Twin Oaks Shopping Center LLC	24,311,398	9	0.62%			
Agoura North Jacobsen Holdings LLC	23,562,317	10	0.60%			
Litton International Development Corp				16,020,000	3	0.69%
Cornerstone Properties LP				18,360,000	4	0.79%
Agoura Hills Realty LP				17,391,232	5	0.75%
BPP Retail LLC				16,000,740	6	0.69%
Holualoa Agoura E and R				13,773,285	7	0.59%
Agoura Meadows Investors				12,690,731	8	0.54%
Kanan Group				11,771,601	9	0.51%
Agoura Business Center East				11,547,536	10	0.50%
<b>Total</b>	<b>\$360,009,344</b>		<b>9.23%</b>	<b>\$212,061,026</b>		<b>9.11%</b>

Comparative amounts for 9 years ago are unavailable. The City will incorporate comparative information as it becomes available. The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Secured Property Tax Levies and Collections**  
**Last Five Fiscal Years**

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<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2006	1,840,131	1,827,723	99.33%	76,712	1,904,435	103.49%
2007	2,041,232	1,964,090	96.22%	100,838	2,064,928	101.16%
2008	2,140,807	1,997,067	93.29%	156,614	2,153,681	100.60%
2009	2,241,091	2,040,506	91.05%	122,366	2,162,872	96.51%
2010	2,161,454	2,012,132	93.09%	0	2,012,132	93.09%

Source: City of Agoura Hills financial information.  
 County of Los Angeles, Auditor-Controller  
 California Municipal Statistics, Inc.

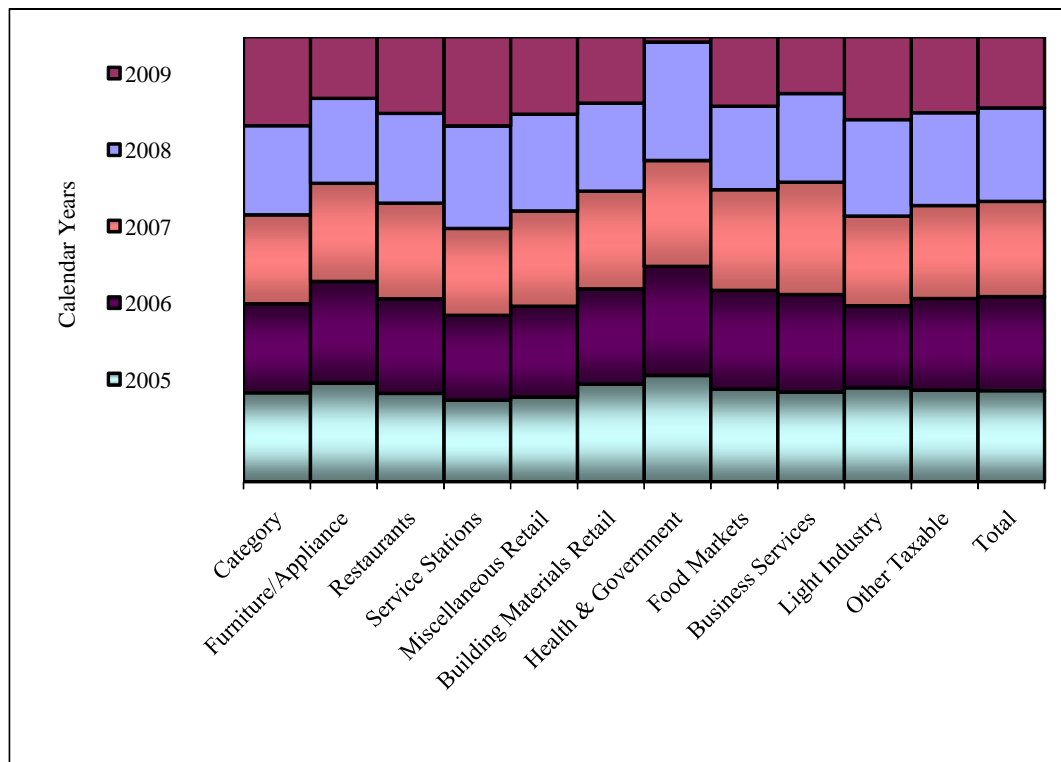
**CITY OF AGOURA HILLS, CALIFORNIA**

**Taxable Sales by Category**

**Last Five Fiscal Years**

*(in thousands of dollars)*

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Furniture/Appliance	\$ 683	\$ 706	\$ 680	\$ 588	\$ 428
Restaurants	564	606	611	573	490
Service Stations	562	582	598	704	613
Miscellaneous Retail	220	235	247	251	201
Building Materials - Retail	203	198	203	183	138
Health & Government	194	199	193	216	10
Food Markets	156	167	170	141	117
Business Services	71	77	89	70	45
Light Industry	83	72	79	85	73
Other Taxable	504	502	510	510	418
<b>Total</b>	<u>\$ 3,240</u>	<u>\$ 3,344</u>	<u>\$ 3,380</u>	<u>\$ 3,321</u>	<u>\$ 2,533</u>
City direct sales tax rate	0.00%	0.00%	0.00%	0.00%	0.00%



Notes: Calendar year 2010 not available.

Source: MuniServices



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Direct and Overlapping Sales Tax Rates**  
**Last Five Fiscal Years**

---

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Los Angeles County</u>	<u>State of California</u>
2006	0.00%	2.00%	6.25%
2007	0.00%	2.00%	6.25%
2008	0.00%	2.00%	6.25%
2009	0.00%	2.00%	6.25%
2010	0.00%	2.50%	7.25%

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Ratios of Outstanding Debt by Type**  
**Last Five Fiscal Years**  
*(dollars in thousands, except per capita)*

<b>Governmental Activities</b>								
<b>Fiscal Year</b>	<b>1999 Lease Revenue Bonds (1)</b>	<b>2007 Lease Refunding Bonds (2)</b>	<b>2008 RDA Tax Allocation Bonds (3)</b>	<b>2008 RDA Housing Set-Aside Bonds (4)</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (a)</b>	<b>Per Capita (a)</b>
2006	8,810	-	-	-	10	8,820	0.72%	167
2007	-	12,060	-	-	-	12,060	0.93%	218
2008	-	11,830	5,750	10,000	-	27,580	2.02%	468
2009	-	11,665	5,750	10,000	-	27,415	1.99%	450
2010	-	11,490	5,690	9,850	-	27,030	1.96%	375

- Notes: (a) See Schedule for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- (1) These Lease Revenue Bonds were issued during fiscal year 1999, and refunded in March 2007.
  - (2) March 2007, the City issued Series 2007 Lease Revenue Refunding Bonds to refund the 1999 Lease Revenue Bonds.
  - (3) 2008 Tax Allocation Bonds issued June 5 to finance certain redevelopment projects within the Agoura Hills Redevelopment Area. (See Note 2)
  - (4) June 5, 2008, the RDA issued Housing Set-Aside Tax Allocation Bonds bonds to finance low and moderate income housing of the Agoura Hills Redevelopment Agency.

Source: Department of Finance  
City of Agoura Hills financial data

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Ratio of Net General Bonded Debt Outstanding**  
**For the Year Ended June 30, 2010**

<b>Governmental Activities</b>								
<b>Fiscal Year</b>	<b>1999 Lease Revenue Bonds (1)</b>	<b>2007 Lease Refunding Bonds (2)</b>	<b>2008 RDA Tax Allocation Bonds (3)</b>	<b>2008 RDA Housing Set-Aside Bonds (4)</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (a)</b>	<b>Per Capita (a)</b>
2006	8,810	-	-	-	10	8,820	0.72%	167
2007	-	12,060	-	-	-	12,060	0.93%	218
2008	-	11,830	5,750	10,000	-	27,580	2.02%	468
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2010	-	11,490	5,690	9,850	-	27,030	1.96%	375

Notes: (a) See Schedule for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

- (1) These Lease Revenue Bonds were issued during fiscal year 1999, and refunded in March 2007.
- (2) March 2007, the City issued Series 2007 Lease Revenue Refunding Bonds to refund the 1999 Lease Revenue Bonds.
- (3) 2008 Tax Allocation Bonds issued June 5 to finance certain redevelopment projects within the Agoura Hills Redevelopment Area. (See Note 2)
- (4) June 5, 2008, the RDA issued Housing Set-Aside Tax Allocation Bonds bonds to finance low and moderate income housing of the Agoura Hills Redevelopment Agency.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Direct and Overlapping Governmental Activities Debt**  
**Last Five Fiscal Years**  
*(dollars in thousands, except per capita)*

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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Los Angeles County Flood Control District	\$ 69,610,000	0.367 %	\$ 255,469
Metropolitan Water District	264,220,000	0.189	499,376
Los Angeles Community College District	2,365,515,000	0.647	15,304,882
Las Virgenes Joint Unified School District	152,497,553	19.417	29,610,450
Los Angeles Co. Regional Park & Open Space Assessment Dist.	222,660,000	0.367	817,162
<b>Other debt</b>			
Los Angeles County General Fund Obligations	855,695,839	0.367	3,140,404
Los Angeles County Pension Obligations	118,486,192	0.367	434,844
Los Angeles County Supt. of Schools Certificates of Participation	13,185,458	0.367	48,391
Las Virgenes Joint Unified School District Certificates of Participation	12,490,000	19.417	2,425,183
Subtotal, overlapping debt			52,536,161
<b>City direct debt</b>			
City of Agoura Hills General Fund Obligations	11,490,000	100.000	11,490,000
<b>Total direct and overlapping debt</b>			<u>\$ 64,026,161</u> <sup>(b)</sup>

Notes: (a) Percentage of overlapping agency's assessed valuation located within the boundaries of the city.  
(b) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.  
City of Agoura Hills financial data

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Legal Debt Margin Information**  
**Last Five Fiscal Years**  
*(dollars in thousands)*

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	Fiscal Year				
	2010	2009	2008	2007	2006
Debt limit	\$ 149,109	\$ 152,754	\$ 144,390	\$ 109,873	\$ 126,970
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 149,109</u>	<u>\$ 152,754</u>	<u>\$ 144,390</u>	<u>\$ 109,873</u>	<u>\$ 126,970</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2010**

Assessed Valuations:	
Gross Assessed Value	<u>\$ 3,976,252</u>
Debt Limitation - 3.75% of Total Assessed Value	\$ 149,109
Less debt applicable to limitation	<u>-</u>
Legal Debt Margin	<u>\$ 149,109</u>

Notes: Under state finance law, the city's outstanding general obligation debt should not exceed 15 percent of total assessed property value. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Source: County of Los Angeles, Auditor-Controller  
City of Agoura Hills financial data  
California Municipal Statistics, Inc.

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Demographic and Economic Statistics**  
**Last Five Calendar Years**

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<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age (2)</b>	<b>Percentage of Residents with at least some college</b>	<b>City Unemployment Rate (3)</b>
2006	23,231	1,226,132	52,780	38.0	80%	1.8%
2007	23,340	1,296,234	55,537	38.5	80%	2.2%
2008	23,203	1,368,432	58,977	39.0	80%	3.6%
2009	23,250	1,371,204	60,959	38.0	77%	5.0%
2010	23,387	1,425,636	72,081	38.5	77%	5.5%

\* Projected figures

(1) Source: State of California, Department of Finance

(2) Source: CNN Money Magazine

(3) Source: State of California, Employment Development Department, Labor Market Information Division

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Principal Employers**  
**Current Year**

Company or Organization	Activity	Fiscal Year	
		2010	2000
		Percentage to Total City Employees	Percentage of Total City Employment
Bank of America	Banking	860	7.75%
Las Virgenes USD*	Government	487	4.39%
THQ Inc	Publishing	425	3.83%
IBM Corporation	Technology	220	1.98%
Teradyne Inc	Manufacturing	197	1.77%
Touch Commerce	Internet	197	1.77%
Employers Direct Insurance	Insurance	150	1.35%
Renaissance Hotel	Hotel	150	1.35%
Farmers Financial Solutions	Insurance	150	1.35%
Wood Ranch Barbecue	Restaurant	130	1.17%
Total Top Employers		2,966	26.72%
Total City Employment (1)		11,100	-

Note: Data for nine years ago (2000) is not available

Source: Result based on direct correspondence with City's local business  
 \* Employee Count is based on Agoura Hills school sites only  
 (1.) Total City Employment provided by EDD Labor Force Data

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Full-time Equivalent City Government Employees by Function/Program**  
**Last Five Fiscal Years**

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<b>Function/Program</b>	<b>Fiscal Year</b>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
General government	9.5	9.45	9.45	9.85	8.47
Community development	7.54	6.5	6.5	4.8	4.1
Community services	7.65	7	7	7	7
Public works	6.25	6.5	6.5	6.22	3.27
Building and safety	3.5	3.5	3.5	3	3
Redevelopment	2.4	3.05	3.05	3.8	5.5
<b>Total full-time equivalent employees</b>	<b>36.84</b>	<b>36</b>	<b>36</b>	<b>34.67</b>	<b>31.34</b>

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.



**CITY OF AGOURA HILLS, CALIFORNIA**  
**Operating Indicators by Function/Program**  
**Last Five Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Parks and recreation					
Number of City sponsored events	21	26	26	28	34
Public Works					
Street resurfacing (lane miles)	9	6	6	7	7
Solid Waste					
Residential Recycling Collected (pounds)*	5,826,240	7,306,880	8,093,120	15,789,700	14,518,840
Electronics Collected (pounds)*	0	0	7,398	10,994	3,943
Used Oil Collection (gallons)	859	859	860	1,130	867
Automobile Battery Collections (pounds)	5,016	5,016	5,368	2,288	1,920
Used Paint Collection (gallons)	1,547	2,726	2,621	2,256	1,959
Transportation					
Total route (miles)	180,330	180,096	162,299	115,188	122,274
Passengers (monthly)	38,134	38,792	34,226	17,594	20,014

\* Residential Recycling Collected includes items such as paper/cardboard/glass/metal/plastic & greenwaste  
 Electronics did not have a city collection program prior to 2008

**CITY OF AGOURA HILLS, CALIFORNIA**  
**Capital Asset Statistics by Function/Program**  
**Last Five Fiscal Years**

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Function/Program	Fiscal Year				
	2006	2007	2008	2009	2010
<b><u>Public works</u></b>					
Bridges	19	19	19	19	19
Streets/Highway (miles)	126	126	126	126	126
Traffic signals	52	52	52	53	53
<b><u>Parks and recreation</u></b>					
Basketball courts					
Full	0	1	1	1	1
Half Courts	3	3	3	3	3
Community centers	1	1	1	1	1
Recreation Centers	1	1	1	1	1
Parks	6	6	6	6	6
Tennis courts	0	0	9	9	9

Source: Various city departments